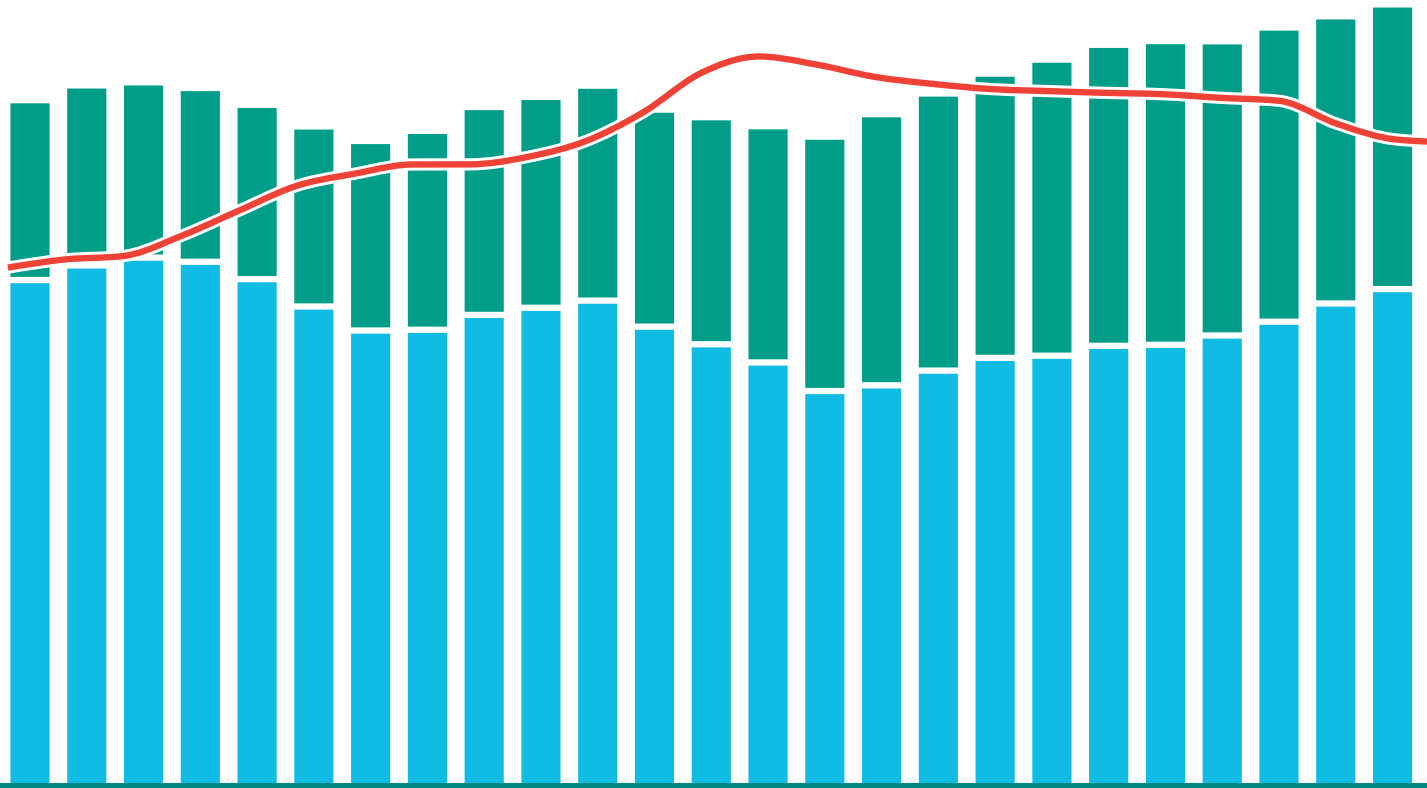
SHEEO

State Higher Education
Executive Officers Association

SHEF

STATE HIGHER EDUCATION FINANCE

FY 2023



The State Higher Education Executive Officers Association (SHEEO) serves the executives of statewide governing, policy, and coordinating boards of postsecondary education and their staffs. Founded in 1954, SHEEO promotes an environment that values higher education and its role in ensuring the equitable education of all Americans, regardless of race/ethnicity, gender, or socioeconomic factors. Together with its members, SHEEO aims to achieve this vision by equipping state higher education executive officers and their staffs with the tools to effectively advance the value of higher education, promoting public policies and academic practices that enable all Americans to achieve success in the 21st century, and serving as an advocate for state higher education leadership. For more information, visit sheeo.org.

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SHEF
STATE HIGHER EDUCATION FINANCE

Since 2003, the State Higher Education Executive Officers Association (SHEEO) has produced the annual State Higher Education Finance (SHEF) report to broaden understanding and enable analysis of state-level and national funding and enrollment trends over time. The SHEF report provides the earliest possible review of state funding for higher education for the most recently completed fiscal year. SHEEO developed the SHEF report building directly on a 25-year effort by Kent Halstead, an analyst and scholar of state policy for higher education. As a result, SHEF includes a robust dataset for fiscal years 1980-2023 with detailed data on state and local funding, tuition revenue, and enrollment.

The 2023 SHEF report was authored by Kelsey Kunkle, Policy Analyst. The report would not have been possible without additional support, particularly from Rachel Burns, Jessica Duren, Kelsey Heckert, and Dustin Weeden.

We are deeply indebted to the staff of state higher education agencies who annually provide the state- and sector-level data essential for the preparation of this report. Without their diligent work, this project would not be possible.

A fully interactive version of this report, with adjustable visualizations and downloadable datasets for all figures and tables, is available at shef.sheeo.org.

The data in the SHEF report and accompanying website may be freely used with appropriate attribution and citation: State Higher Education Executive Officers Association. (2024). *State Higher Education Finance: FY 2023*.

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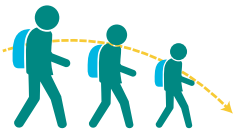
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EXECUTIVE SUMMARY

The SHEF report supplies important context and trend analysis to help inform state postsecondary finance policy decisions. SHEF provides the earliest possible review of state and local support, tuition revenue, and enrollment trends for the most recently completed fiscal year. This year's report focuses on fiscal year 2023, which for most states ran from July 1, 2022, through June 30, 2023.

REPORT HIGHLIGHTS

State and local government funding for higher education totaled $129.8 billion in fiscal year 2023. Twenty-eight states and Washington, D.C., used some portion of federal stimulus funding provided to state governments for higher education. Federal stimulus funding allocated by states to higher education totaled $1.7 billion in 2023, down 26.6% before inflation from 2022 and comprising 1.3% of total support. States contributed $116.4 billion (a 7.7% increase), and local governments in 32 states contributed $13.4 billion to higher education (a 5.6% increase).

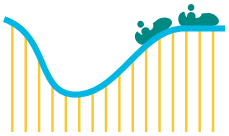


FULL-TIME EQUIVALENT (FTE) ENROLLMENT

Full-time equivalent (FTE) enrollment converts student credit hours to full-time academic year students. Net FTE excludes medical students.

- There were 10.2 million FTE enrolled students in 2023. Net FTE enrollment declined 0.5% in 2023, a loss of 50,464 FTE students, marking the 12th straight year of enrollment declines following substantial enrollment increases during the Great Recession. Altogether, FTE enrollment has declined 12.1% from its peak in 2011.
- Enrollment declined in 25 states between 2022 and 2023, ranging from 0.1% in Nebraska to 5.3% in Ohio.
- In fiscal years 2021 and 2022, FTE enrollment declines hit two-year institutions harder than four-year institutions. This changed in 2023, as four-year public institutions had a larger year-over-year FTE enrollment decline than two-year institutions, with decreases of 0.6% and 0.3%, respectively.

From this point forward, all dollar figures are for public institutions and are adjusted for inflation and net FTE enrollment. The Higher Education Cost Adjustment (HECA), a measure of inflation in service industries, increased 4.2% from 2022 to 2023.



EDUCATION APPROPRIATIONS PER FTE

Education appropriations measure state and local support for public higher education operating expenses and exclude research, hospitals, and medical education. State-level education appropriations include agency funding and federal stimulus funding; sector-level appropriations do not. Following sharp declines during and after the Great Recession, education appropriations have increased for 11 consecutive years.

In 2023, education appropriations per FTE increased 3.7% beyond inflation to $11,040. For the second time since the Great Recession, inflation-adjusted education appropriations per FTE were greater than pre-recession funding levels in 2008, by 6.7% or $697 per FTE. The increase in education appropriations per FTE can be attributed to three notable trends:

1. Increasing state commitments to higher education funding.
2. A sharp decline in FTE enrollment.
3. Generous federal stimulus funding.

Federal stimulus funding contributed to the increase in education appropriations per FTE in two ways. First, federal funds that protected state revenues and covered additional costs due to the COVID-19 pandemic and economic recession reduced the need to redirect funds from higher education to other budget areas during the pandemic. Second, federal funds given to states and used for higher education operations boosted operating education appropriations by $163 per FTE in 2023.

Education appropriations vary considerably by state. Education appropriations per FTE in 2023 ranged from $3,990 in New Hampshire to $22,590 in Illinois and $25,834 in Washington, D.C. Despite national-level increases, education appropriations per FTE declined in 20 states and Washington, D.C., from 2022 to 2023. Although national-level education appropriations have recovered to 2008 levels, many states continue funding higher education at a lower level than prior to the 2008 Great Recession. Twenty-five states have not yet recovered from the Great Recession (meaning their education appropriations per FTE in 2023 remain below 2008 levels). Arizona (34.6% below), Louisiana (30.6% below), and Nevada (30.2% below) are furthest from recovery.

From 2022 to 2023, inflation-adjusted state and local education appropriations increased 1.6% at two-year institutions, reaching $10,488 per FTE. At four-year institutions, education appropriations per FTE increased 4.2% from 2022 to 2023, reaching $10,238. There were important differences in the sources of two- and four-year public institution state and local funding, despite similar levels of education appropriations per FTE:

- Two-year public institutions received $6,325 per FTE in state general operating appropriations, 71.6% of the four-year general operating appropriation ($8,834).

- Local appropriations were 167.0 times higher at two-year institutions ($3,432) compared to four-year institutions ($21 per FTE). There were two-year local appropriations in 29 states, compared to only seven for four-year institutions.
- Total state and local support at two-year institutions was $10,488, 85.2% of the amount at four-year institutions ($12,314).



STATE PUBLIC FINANCIAL AID PER FTE

State public financial aid is any state appropriated student financial aid for public institutions, excluding loans. These funds are included in education appropriations but do not include federal stimulus funding. Public aid accounts for 80.2% of total state financial aid funding.

- State public financial aid per FTE increased 2.5% from 2022 to 2023 and reached an all-time high of $1,050 per FTE enrolled student. These funds made up 9.5% of all education appropriations.
- In 2023, 27 states had a year-over-year increase in financial aid per FTE. Public state financial aid ranged from $44 per FTE in Montana to over $3,000 per FTE in New Mexico ($3,444 per FTE) and Tennessee ($3,478 per FTE).
- State financial aid awards averaged $656 at two-year institutions, an increase of 1.9% over 2022. At four-year institutions, state financial aid increased 2.8%, reaching $1,259. The majority of states (34) awarded more financial aid per FTE to students attending four-year institutions.



NET TUITION AND FEE REVENUE PER FTE

Net tuition and fee revenue is the total amount of tuition and fees received by public institutions, minus state and institutional financial aid and medical tuition and fees.

Inflation-adjusted net tuition and fee revenue has increased substantially over time. Since 1980, tuition revenue per FTE at public institutions has increased 179.6%. These increases are primarily due to increases in tuition and fee rates and an increasing proportion of out-of-state, international, and graduate student enrollment.

Recently, this trend has shifted, and tuition and fee revenue has declined in four of the last five years. Public institutions received $7,353 in net tuition and fee revenue per FTE in 2023, down 3.3% from 2022, which is the largest one-year decrease since 1980, the start of the SHEF dataset. Decreases in net tuition revenue are largely due to increases in state financial aid and minimal tuition rate growth (lower than the rate of inflation).

Net tuition and fee revenue per FTE ranges widely across the states due to variation in the mix of students paying different tuition rates, the level of state support and availability of state public financial aid, and whether institutions can freely raise their tuition rates.

- On the low end, net tuition and fee revenue was $2,461 per FTE in Florida. On the high end, net tuition and fee revenue was $19,338 in Delaware.
- Net tuition and fee revenue per FTE declined in 36 states between 2022 and 2023. Despite these recent declines, since 1980, net tuition and fee revenue per FTE has increased in every state, and by more than 100% in 42 states.
- Net tuition and fee revenue at two-year institutions averaged $2,593 per FTE in 2023, down 6.6% from 2022. At four-year institutions, net tuition and fee revenue averaged $10,269 per FTE, down 2.7%, but still 4.0 times the average net tuition and fee revenue in the two-year sector.



TOTAL EDUCATION REVENUE PER FTE

Total education revenue is the sum of education appropriations and net tuition and fee revenue, excluding net tuition and fee revenue used for capital debt service.

Total education revenue increased 0.8% from 2022 to 2023, reaching an all-time high of $18,301 per FTE. A national-level record high total revenue does not indicate that all public institutions have more revenue than ever before. In fact, it is at an all-time high in only 13 states. Many institutions have not been able to increase tuition and fee revenue to offset declines in state funding and are not at an all-time high for total education revenue. This is particularly true for those most reliant on state funding and those with a more limited ability to raise tuition rates and attract out-of-state and international students.

As with other measures, total revenue varied widely by state. Total education revenue per FTE ranged from a low of $11,570 in Nevada to a high of $31,076 in Illinois. Total education revenue per FTE decreased in half of all states and Washington, D.C., from 2022 to 2023, and in two states (Alaska and Nevada) since 1980.

Two-year institutions had, on average, much less total revenue than four-year institutions. At two-year public institutions, total education revenue averaged $13,061 per FTE in 2023, down 0.1% from 2022. Total education revenue at four-year institutions averaged $20,373, a 0.6% increase from 2022. Thanks to collecting much higher tuition revenues, four-year institutions had, on average, 1.6 times the amount of total education revenue per FTE of two-year institutions.



STUDENT SHARE

The student share is a measure of the proportion of total education revenue at public institutions that comes from net tuition and fee revenue.

The student share has increased substantially over time due to declines in education appropriations and net tuition revenue increases. In 1980 (the earliest available data), the student share was 20.9%. In 2023, the U.S. average student share was 40.2%. This means that, on average, 40.2% of revenues at public institutions came from student tuition and fees. Excluding federal stimulus funding, the student share in 2023 was 40.5%.

There is wide variation in the student share across states. In 2023, 21 states had a student share above 50%. From 2022 to 2023, student share decreased in 35 states. It is not yet clear how these trends will continue following the depletion of federal stimulus dollars, but these decreases in student share indicate that states are making efforts to address college affordability.

The student share is perhaps the most varied SHEF metric when comparing two- and four-year public institutions. At two-year institutions, the fiscal year 2023 student share was less than a quarter (19.9%); it was over half (50.4%) at four-year institutions. The four-year student share is greater than the two-year student share in all but three states: Florida, South Dakota, and Wyoming. This means that in those three states, students at two-year institutions are responsible for a greater portion of public institutional revenue than students attending four-year institutions.

IMPLICATIONS

Fiscal year 2023 continued to defy long-standing trends in higher education finance in the third year following an economic downturn. Instead of steep cuts in state funding and sharp growth in student enrollment and tuition revenue, as expected in the years following an economic recession, inflation-adjusted state and local education appropriations per FTE increased, and enrollment and tuition revenue per student decreased. This year marked the 11th straight year that state and local education appropriations increased, and only the second year in which education appropriations per student exceeded 2008 (pre Great Recession) levels — with and without federal stimulus funds. Although states allocated less federal stimulus funding directly to higher education compared to 2022, federal stimulus and relief funds continued to be helpful in 2023, supporting total state revenues, reducing budget strain, and providing more freedom for states to show commitment to higher education. However, these one-time funds are not a replacement for long-term state investments, as stimulus funds dry up.

The COVID-19 pandemic altered the usual counter-cyclical enrollment trend where enrollment increases during and in the years immediately following economic recessions. Public institutions of higher education experienced a total enrollment decline of 6.1% (or 665,976 per FTE students) from 2020 to 2023. Additionally, net tuition and fee revenue did not increase enough to keep up with inflation any year in that same stretch of time following the brief recession in 2020. What is more, 2023 was the largest year-over-year decrease in net tuition and fee revenue in the SHEF dataset. In general, low growth in tuition rates, continued increases in state financial aid, and changes in enrollment patterns have contributed to recent declines. This continued decline in

tuition revenue puts greater pressure on states not to cut funding to public higher education in the coming years. With a growing body of evidence demonstrating that resources matter for improving student success outcomes, state leaders will need to ensure their higher education institutions have an adequate level of funding to increase credential production and meet workforce needs.

The SHEF report broadly addresses the wide variation in how states fund public higher education. However, state-specific context is incredibly important when discussing higher education finance trends. States vary in their relative allocations to general operating, financial aid, and research. They also vary in their reliance on local support to fund community colleges, federal stimulus funding during the COVID-19 pandemic, and the total funding allocated to higher education on a per-student level. Additionally, there are always outliers in every trend. Public institutions in some states remain primarily publicly funded, but a growing proportion have become primarily reliant on student tuition and fee revenue over the last two decades. With the end of federal stimulus funding near, states have hard decisions to make, and choosing to support higher education is crucial for the continued success of public institutions. As states explore new or different ways to address college affordability, educational quality, and inequality in educational attainment, long-term, sustained investments are needed.

SOURCES AND USES OF STATE FUNDING

Two core components of the SHEF report are the sources and uses of state and local investments in higher education. This section presents data on the distribution of state and local funds at the national level over time and across states. Later sections examine trends over time using inflation-adjusted and per-student data.

In considering a state's investment in higher education, SHEF includes all state and local revenue sources, including those from taxes, lottery receipts, mineral and resource extraction revenue, and state-funded endowments. SHEF also identifies the primary purposes or uses for which this public revenue is provided, including general institutional operating expenses, student financial assistance, agency funding, and support for centrally funded research, medical education, and extension programs. Higher education is the third largest single budget area in state support, representing 8.7% of total state spending and 9.2% of general fund expenditures in fiscal year 2023. Although state higher education expenditures as a share of general fund spending has remained constant since pre-pandemic levels in fiscal year 2019, spending on state higher education as a share of total state expenditures has declined by 1.5 percentage points since that time.[1,2] It is generally understood that state funding for higher education acts as a balance wheel during economic downturns, with funding reductions typically greater than those in other budget areas.[3] In part, states disproportionately reduce per-student funding to higher education due to the presumption that funding reductions can be partially offset with tuition revenue increases. During strong budget years, higher education typically sees increased appropriations in most states, both to make up for past cuts and to provide the funding necessary for public institutions to cover increasing costs due to inflation and changes in student enrollment.

SOURCES OF STATE FUNDING

This section provides data and analysis of the sources of state and local government support for higher education over the last 15 years (2008-2023). **The funding amounts in this section are not adjusted for inflation or enrollment.**

1. NATIONAL TRENDS

Table 1.1 shows that state and local government funding for higher education totaled $129.8 billion in fiscal year 2023, with almost $1.7 billion in federal stimulus funding. Federal stimulus funding in 2023 comprised 1.3% of total support, a decline of $609.3 million, down 26.6% from fiscal year 2022.[4] States contributed $116.4 billion, and local governments in 32 states contributed $13.4 billion, representing increases of 7.7% and 5.6%, respectively. The largest funding source

1. National Association of State Budget Officers. (2023). *State expenditure report: Fiscal years 2021-2023*. www.nasbo.org/reports-data/state-expenditure-report
2. Unlike the SHEF data, NASBO expenditures exclude employer contributions to pensions and health benefits. NASBO defines state general funds as the majority fund for financing a state's operations with revenues received from broad-based state taxes such as personal and corporate income tax, and sales tax.
3. Delaney, J., & Doyle, W. (2011). State spending on higher education: Testing the balance wheel over time. *Journal of Education Finance, 36*(4). www.jstor.org/stable/23018116
4. Federal stimulus funding is provided to state governments to stabilize state and local sources of revenue for higher education. It includes funds from the American Recovery and Reinvestment Act (ARRA) during the Great Recession, the 2020 Coronavirus Aid, Relief, and Economic Security (CARES) Act, the 2020 Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, and the 2021 American Rescue Plan (ARP) during the COVID-19 pandemic. Federal stimulus must be state allocated and excludes aid used for capital projects and funds provided directly to institutions, such as the Higher Education Emergency Relief Fund (HEERF).

was state tax appropriations, which accounted for $106.1 billion or 81.7% of total funding, as shown in *Figure 1.1.* Non-tax support (mostly from state lotteries) increased 7.9% and totaled just under $5.4 billion. Non-appropriated support, state-funded endowments, and other sources of state funding contributed an additional $3.5 billion, an increase of 10.2% from 2022.

TABLE 1.1

SOURCES OF STATE AND LOCAL HIGHER EDUCATION FUNDING IN THE U.S., FY 2008-2023 (UNADJUSTED DOLLARS, IN MILLIONS)

SOURCE	2008	2013	2018	2021	2022	2023	2023 % DISTRIBUTION
FEDERAL STIMULUS	$-	$-	$-	$3,808	$2,291	$1,682	1.3%
TAX APPROPRIATIONS	$77,786	$69,876	$82,530	$90,029	$97,719	$106,087	81.7%
NON-TAX SUPPORT	$2,393	$3,020	$3,970	$4,656	$4,988	$5,382	4.1%
NON-APPROPRIATED SUPPORT	$72	$92	$286	$282	$302	$301	0.2%
STATE-FUNDED ENDOWMENT EARNINGS	$344	$498	$992	$1,423	$1,319	$1,414	1.1%
OTHER	$225	$277	$1,512	$1,553	$1,600	$1,834	1.4%
FUNDS NOT AVAILABLE FOR USE	$80	$72	$76	$551	$206	$318	0.2%
TOTAL STATE SUPPORT	$80,739	$73,691	$89,213	$101,198	$108,014	$116,382	89.7%
LOCAL TAX APPROPRIATIONS	$8,148	$9,352	$10,760	$12,167	$12,698	$13,403	10.3%
TOTAL STATE AND LOCAL SUPPORT	**$88,887**	**$83,043**	**$99,973**	**$113,365**	**$120,712**	**$129,785**	**100.0%**
TOTAL STATE AND LOCAL SUPPORT (NO STIMULUS)	**$88,887**	**$83,043**	**$99,973**	**$109,557**	**$118,421**	**$128,103**	**98.7%**

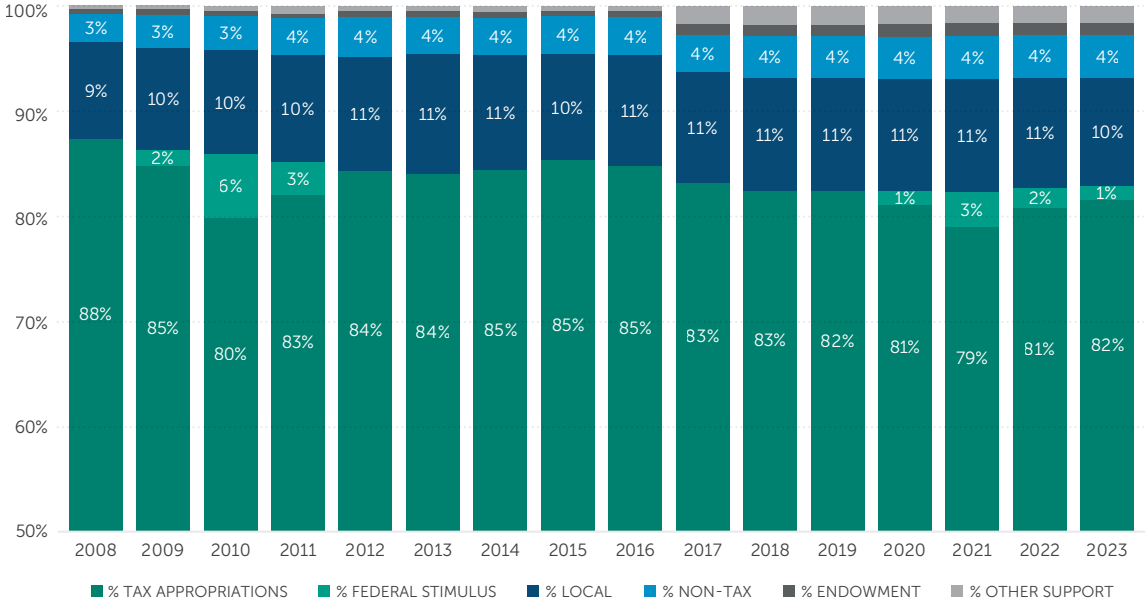
NOTES:

1. Federal stimulus funding is provided to state governments to stabilize state and local sources of revenue for higher education. It includes funds from the American Recovery and Reinvestment Act (ARRA) during the Great Recession, the 2020 Coronavirus Aid, Relief, and Economic Security (CARES) Act, the 2020 Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, and the 2021 American Rescue Plan (ARP) during the COVID-19 pandemic. Federal stimulus must be state allocated and excludes aid provided directly to institutions (such as HEERF) and funding used for capital projects.
2. Other includes multiyear appropriations from previous years and funds not classified in one of the other source categories.
3. Funds not available for use include appropriations that were returned to the state, and portions of multiyear appropriations to be spread over other years.
4. Total state and local support is the sum of federal stimulus funds, state and local tax appropriations, non-tax support, non-appropriated support, state-funded endowment earnings, and other state funds, net of any funds not available for use.

SOURCE: State Higher Education Executive Officers Association

FIGURE 1.1

DISTRIBUTION OF STATE AND LOCAL HIGHER EDUCATION FUNDING SOURCES, U.S., FY 2008-2023



NOTES:

1. Tax appropriations are any appropriations from state government taxes to institutions for operations and other higher education activities.
2. Federal stimulus funding is provided to state governments to stabilize state and local sources of revenue for higher education. It includes funds from the American Recovery and Reinvestment Act (ARRA) during the Great Recession, the 2020 Coronavirus Aid, Relief, and Economic Security (CARES) Act, the 2020 Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, and the 2021 American Rescue Plan (ARP) during the COVID-19 pandemic. Federal stimulus must be state allocated and excludes aid provided directly to institutions (such as HEERF) and funding used for capital projects.
3. Local appropriations are the sum of tax appropriations from any government entity below the state level to public institutions for operating expenses. Local appropriations do not include grants from local nonprofit organizations such as chambers of commerce and charitable foundations.
4. Non-tax support includes any appropriated non-tax state support set aside by the state for higher education. This may include, but is not limited to, allocations from lotteries (including lottery scholarships), tobacco settlements, casinos, or other gaming sources.
5. In all years, state-funded endowment earnings and other sources accounted for 3% or less of total state and local funding for higher education. Other sources include non-appropriated funds, multiyear appropriations from previous years, and funds not classified in one of the other source categories.

SOURCE: State Higher Education Executive Officers Association

2. STATE COMPARISONS

Almost all states are heavily reliant on state tax appropriations to fund higher education, although the distribution of state and local higher education funding sources varies across the nation (see *Table 1.2* on the SHEF website). In 2023, all states had the majority of higher education funding come from state tax appropriations. Four states (Delaware, Massachusetts, North Dakota, and Washington) relied on tax appropriations as their only major source of state and local funding for higher education.

Arizona is the only state in which a large proportion (41.5%) of higher education funding came from local appropriations. Kansas, Michigan, and Texas were the only other states that relied on local appropriations for at least 20% of higher education funding. Eighteen states and Washington, D.C., received no local tax appropriations for higher education.[5]

Several states with financial aid programs funded with lottery dollars, primarily located in the southern region of the U.S., were also less reliant on tax appropriations. Florida, Kentucky, New Mexico, and South Carolina relied on non-tax support for at least 20% of higher education funding. Meanwhile, 22 states and Washington, D.C., had no non-tax support.

Endowments, non-appropriated support, and other sources of state revenue made up 1% or less of higher education funding in all but 11 states and Washington, D.C. In Arizona, Oklahoma, Tennessee, Texas, and Washington, D.C., these revenue sources made up more than 5% of higher education support.

In 2023, federal stimulus funding provided to state governments was used for higher education in 28 states and Washington, D.C. Of these states, stimulus funds comprised less than 5% of total state and local support in 21 states and Washington, D.C. Connecticut and Vermont are the only states that relied on federal stimulus funding for more than 10% of higher education funding in 2023.

Two noteworthy trends have emerged as states have become less reliant on tax appropriations over time. These trends can be explored more closely using the interactive version of *Figure 1.1* on the SHEF website.

1. Many states are increasingly reliant on local appropriations. Over the last 15 years, the proportion of total higher education funding from local appropriations has increased in 23 states. In four states (Arizona, Kansas, Nebraska, and Texas), the proportion of total higher education funding derived from local appropriations has increased by at least 5 percentage points since 2008.

2. Similarly, 19 states had increases in non-tax appropriations from 2008 to 2023. In six states (Arkansas, Florida, Kentucky, Nevada, New Mexico, and South Carolina), five of which have sizable lottery-funded student financial aid programs,[6] non-tax support as a proportion of total funding increased by more than 5 percentage points over the last 15 years.

5. In Washington D.C., district taxes are classified as state tax appropriations, not local support.

6. Brown, P. (2023). *SHEF: FY 2022 Issue Brief: Analyzing Lottery Proceeds as an Aspect of State Support for Higher Education.* shef.sheeo.org/wp-content/uploads/2023/11/SHEF-Lottery-Funding_FY22.pdf.

USES OF STATE FUNDING

This section provides data and analysis of the uses of state and local government support for higher education over the last 15 years (2008-2023). **As with the prior section, this section's funding amounts are not adjusted for inflation or enrollment.** However, unlike the prior section, federal stimulus funding is *not included* in the uses of state and local funding.

1. NATIONAL TRENDS

Table 1.3 shows that, nationally, funds allocated to support general public operations at public institutions increased 8.5% in 2023 to $100.7 billion, representing 78.6% of state and local higher education funding. General public operations include funding directly used to support instruction at two- and four-year public institutions as well as funding to state higher education agencies.

Agency funding is the allocation of operating funds to state-level coordinating and governing bodies.[7] In 2023, states provided $1.5 billion in agency funding (1.2% of all general public operations).

Other uses of funding include:

- Special purpose appropriations for research, agricultural extension programs, public health care services, and medical education (RAM) have increased 7.9% since 2022 to $13.2 billion — comprising 10.3% of total state and local support.
- State-funded student financial aid increased 5.8% to $13.4 billion — 10.5% of total support — from 2022 to 2023. In 2023, 80.2% of total student aid was allocated to students attending public institutions.
- Operating support for independent (private) institutions increased 32.6% to $394.0 million, and support for non-credit and continuing education increased 9.3% to $400.0 million. Together, these uses of state and local funding constituted 0.6% of higher education funding.

7. These funds have always been included in general public operations but were not available as a breakout until 2019.

TABLE 1.3

USES OF STATE AND LOCAL HIGHER EDUCATION FUNDING IN THE U.S., FY 2008-2023 (UNADJUSTED DOLLARS, IN MILLIONS)

USE	2008	2013	2018	2021	2022	2023	2023 % DISTRIBUTION
GENERAL PUBLIC OPERATIONS	$69,804	$63,881	$77,825	$85,160	$92,834	$100,677	78.6%
AGENCY FUNDING	N/A	N/A	N/A	$1,211	$1,542	$1,539	1.2%
RESEARCH - AGRICULTURE - MEDICAL (RAM)	$10,718	$9,769	$10,880	$11,242	$12,245	$13,217	10.3%
STATE PUBLIC FINANCIAL AID	$5,321	$6,743	$8,385	$10,052	$10,127	$10,763	8.4%
OUT-OF-STATE STUDENT AID	$34	$42	$37	$39	$39	$41	0.0%
INDEPENDENT STUDENT AID	$2,443	$2,116	$2,273	$2,406	$2,493	$2,588	2.0%
INDEPENDENT OPERATING SUPPORT	$276	$179	$217	$252	$297	$394	0.3%
NON-CREDIT AND CONTINUING EDUCATION	$291	$313	$349	$374	$366	$400	0.3%
TOTAL STUDENT FINANCIAL AID	$7,798	$8,901	$10,702	$12,529	$12,679	$13,416	10.5%
TOTAL INDEPENDENT SUPPORT	$2,719	$2,295	$2,489	$2,658	$2,790	$2,983	2.3%
TOTAL STATE AND LOCAL SUPPORT (NO STIMULUS)	**$88,887**	**$83,043**	**$99,973**	**$109,557**	**$118,421**	**$128,103**	**100.0%**

NOTES:

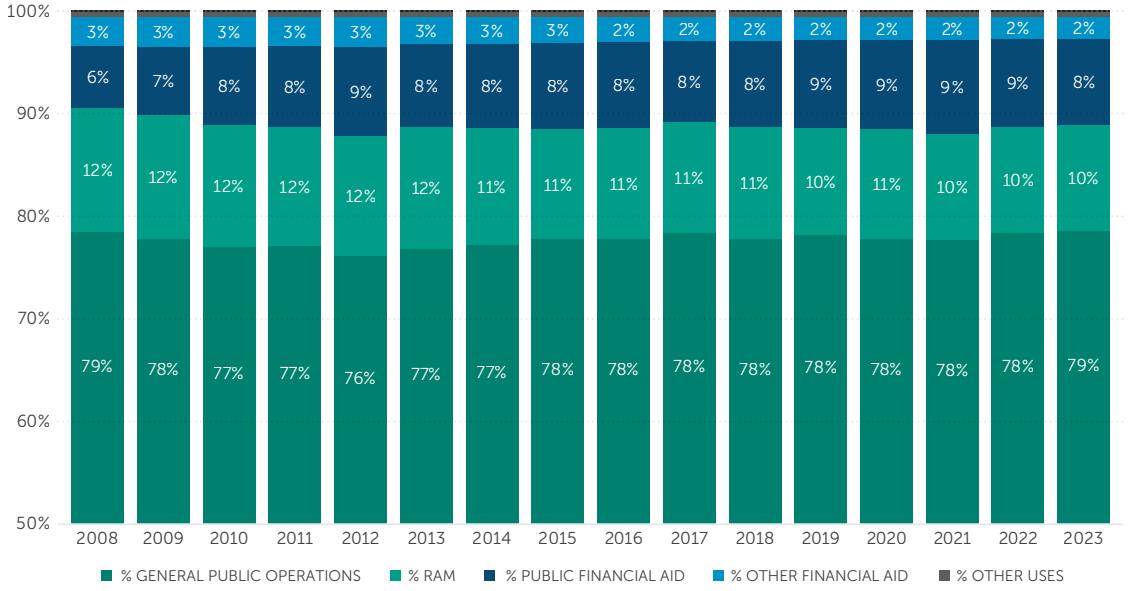
1. General public operations are any state and local support for public higher education institutions and agencies, excluding RAM, financial aid, and non-credit and continuing education. Federal stimulus funding is not included.
2. Agency funding is included in general public operations, and is the allocation of operating funds to state-funded, state-level coordinating and governing bodies.
3. RAM refers to the total appropriations intended for the direct operations of research, agriculture, public health care services, and medical schools.
4. Total student financial aid is the sum of any state appropriated student financial aid for public, independent, and out-of-state institutions, excluding loans. Financial aid for students attending medical institutions is included in total student financial aid but excluded from all other student aid categories.
5. Total independent support is the sum of state funds for private institutions (independent student aid and independent operating support).
6. Total state and local support is the sum of tax appropriations, non-tax support, local appropriations, non-appropriated support, state funded endowment earnings, and other state funds, net of any funds not available for use. Federal stimulus funding is not included.

SOURCE: State Higher Education Executive Officers Association

Overall, the uses of state and local higher education funding have remained relatively constant on a national level over time. *Figure 1.3* shows that the biggest change in uses of higher education funding is the portion of funding allocated to public financial aid. Excluding stimulus funding, the proportion of state and local funding allocated to public financial aid increased 2.4 percentage points from 6.0% in 2008 to 8.4% in 2023, signifying a shift in the way states have chosen to invest in public higher education. Meanwhile, the portion allocated to general public operating increased by 0.06 percentage points over the last 15 years. However, financial aid to students attending independent or out-of-state institutions declined by just under one percentage point (0.7) over that same time frame and now accounts for just 2.1% of state and local support.

FIGURE 1.3

DISTRIBUTION OF STATE AND LOCAL HIGHER EDUCATION FUNDING USES, U.S., FY 2008-2023



NOTES:

1. General public operations are any state and local support for public higher education institutions and agencies, excluding RAM, financial aid, and non-credit and continuing education. Federal stimulus funding is not included.
2. RAM refers to the total appropriations intended for the direct operations of research, agriculture, public health care services, and medical schools.
3. State public financial aid is any state appropriated student financial aid for public institutions, excluding loans and aid for students attending medical schools. For many states, it includes aid both for tuition costs and living expenses.
4. Other financial aid includes any state appropriated student financial aid to students attending independent (private) or out-of-state institutions.
5. In all years, other uses accounted for less than 1% of total state and local funding for higher education. Other uses include funding for non-credit and independent operating.
6. Total state and local support is the sum of tax appropriations, non-tax support, local appropriations, non-appropriated support, state-funded endowment earnings, and other state funds, net of any funds not available for use. Federal stimulus funding is not included.

SOURCE: State Higher Education Executive Officers Association

2. STATE COMPARISONS

Across the states, there is significant variation in the uses of state and local funding for higher education (see *Table 1.4* on the SHEF website). All states allocated at least half of all funding to general public operations in fiscal year 2023. Louisiana (53.7%) allocated the least amount of funding to public institutions' general operations budgets, while Rhode Island (92.9%) allocated the most. Overall, the proportion of funding allocated to general public operations decreased in a total of 32 states since 2008.

Forty-six states reported agency funding in fiscal year 2023. Agency allocations ranged from 0.02% of all support in Montana to 15.7% in South Dakota, and accounted for less than 1% of all support in 27 of those states. States may not have agency funding if they do not have a statewide board for higher education (like in Michigan), or if systems of institutions allocate their own funding for system-level agency operations from their general budgets (as in Maine).

All but one state (Rhode Island)[8] provided state and local support for direct operations of research, agriculture, public health care services, and medical schools (RAM). In 2023, RAM ranged from 3.0% in Illinois to 25.5% in Mississippi.

The proportion of state and local support allocated to student financial aid ranged from 0.5% in Montana to 30.3% in South Carolina. Hawai`i was the only other state that allocated less than 1% of funding to student financial aid. Kentucky, Louisiana, South Carolina, and Tennessee all allocated at least 20% of state and local funding to financial aid. From 2008 to 2023, the proportion of total state and local support appropriated to student financial aid increased in 40 states.

Support for independent institutions is generally one of the smallest allocations of state and local funding. In 2023, 45 states provided funding to independent institutions, ranging from 0.01% in New Mexico to 8.6% in Pennsylvania. In most states, funding for independent institutions was predominantly allocated to student financial aid rather than institutional operating appropriations. Fourteen states allocated some portion of funding to support independent (private) operating. Of those states, only two, Alabama (84.3%) and Maryland (84.9%), allocated more than 50% of their support for independent institutions toward institutional operating.

8. Rhode Island has not reported any RAM allocations since the start of the SHEF dataset.

DISTRIBUTION OF REVENUE: WAVE CHARTS AND STUDENT SHARE

This section explores historical trends in the distribution and levels of the two primary revenue sources for public institutions of higher education: state and local funding and student tuition and fee revenue. From this section forward, the SHEF report highlights trends in higher education revenue and enrollment for **public institutions** only.

Several derived metrics are analyzed throughout the report, first at the U.S. level and then across states and sectors.[9] These metrics are net full-time equivalent (FTE) enrollment, general public operations, state public financial aid, education appropriations, net tuition and fee revenue, total education revenue, and student share. Each metric is defined in *Table 2.1* and explained in more detail in the sections that follow.

SHEF's analytic methods are designed to make basic data about higher education finance as comparable as possible across states and over time. Finance metrics are provided on a per-student basis (using net FTE enrollment) and are **modified using three adjustments**:[10]

Higher Education Cost Adjustment (HECA) adjusts for inflation over time.

Cost of Living Index (COLI) accounts for cost of living differences among the states.

Enrollment Mix Index (EMI) adjusts for differences in the mix of enrollments across institutions resulting in different costs across the states (e.g., at community colleges or more expensive research institutions).

OVERVIEW: TRENDS OVER TIME

1. NATIONAL TRENDS

Table 2.1 shows the effects of FTE enrollment and inflation on the SHEF metrics. The progression shown in this table is a starting point for understanding the national story of public higher education funding from state and local sources, tuition and fee revenue from students and families, and enrollment over time. Note that the state adjustments (COLI and EMI) do not impact the U.S. average.

The first section of *Table 2.1* shows that in unadjusted dollars (without adjusting for inflation or enrollment), education appropriations increased 7.5% over 2022. Both subcomponents of education appropriations also increased, 6.3% for state public financial aid and 8.4% for general public operations. Net tuition and fee revenue (tuition and fees net of state and institutional aid and medical tuition) increased 0.2%.

9. It is important to note that the U.S. level data are not averages of state averages. For example, "U.S. total education appropriations per FTE" is the sum of all education appropriations divided by the sum of all net FTEs across the 50 states. It is not the average of each of the 50 state's individual per-FTE calculations.

10. These adjustments are described in more detail on the data definitions page of the SHEF website (shef.sheeo.org/data-definitions/).

The middle section of *Table 2.1* shows that the Higher Education Cost Adjustment (HECA), a measure of inflation in service industries, increased 4.2% from 2022 to 2023. After applying HECA and therefore removing any increases due to inflation, state public financial aid increased 2.0%, while general public operations increased 4.1%, and net tuition and fee revenue decreased 3.8%.

The changes described above may be misleading if not contextualized with changes in net FTE enrollment, shown in the final section of *Table 2.1*. From 2022 to 2023, enrollment declined 0.5%, or 50,464 FTE students. After adjusting for both inflation and enrollment, we see that education appropriations increased 3.7% (financial aid increased 2.5%, general public operations increased 4.6%), while net tuition and fee revenue decreased 3.3%, and total education revenue increased 0.8%.

Since the SHEF dataset began in 1980, net tuition revenue per FTE has only declined six times: in 2000 (2.7%), 2001 (0.9%), 2019 (3.2%), 2021 (2.5%), 2022 (0.9%), and 2023 (3.3%). The decline in 2023, the largest yet, is partially, but not entirely, explained by state public financial aid increases, which are removed from net tuition revenue.

Education appropriations and total education revenue described here and reported in *Table 2.1* include federal stimulus funding in fiscal years 2020, 2021, 2022, and 2023. **Excluding federal stimulus funding, inflation-adjusted education appropriations per FTE increased 4.4%, and total education revenue increased 1.1%.**

MEASUREMENT NOTE: FEDERAL STIMULUS FUNDING



The SHEF report includes federal stimulus funding allocated to states to stabilize state and local sources of funding for higher education and to provide additional resources during the COVID-19 pandemic in fiscal years 2020, 2021, 2022, and 2023. Federal stimulus included in the SHEF report includes any state-allocated Governor's Emergency Education Relief Funds (GEERF), Coronavirus Relief Funds (CRF), or State and Local Fiscal Recovery Funds, and excludes aid provided directly to institutions (such as Higher Education Emergency Relief Funds). Federal stimulus funds used for public capital projects are also excluded. Federal stimulus funds were generally reported in the year(s) in which they were expended. State- and sector-level state and local support, education appropriations, and total education revenue include federal stimulus funding. Federal stimulus funding for private institution operations is excluded from education appropriations and total education revenue. Federal stimulus is not included in state public financial aid, general public operations, or state public operating.

TABLE 2.1

IMPACT OF INFLATION AND ENROLLMENT ON SHEF METRICS, U.S., FY 1980-2023

	1980	2001	2013	2018	2022	2023	% CHANGE SINCE 2022	% CHANGE SINCE 2018	% CHANGE SINCE 2013	% CHANGE SINCE 2001	% CHANGE SINCE 1980
CURRENT UNADJUSTED DOLLARS (MILLIONS)											
STATE PUBLIC FINANCIAL AID	N/A	$2,843	$6,743	$8,385	$10,127	$10,763	6.3%	28.4%	59.6%	278.6%	N/A
GENERAL PUBLIC OPERATIONS	N/A	$53,289	$63,881	$77,825	$92,834	$100,677	8.4%	29.4%	57.6%	88.9%	N/A
EDUCATION APPROPRIATIONS	$16,134	$56,118	$70,625	$86,218	$105,234	$113,106	7.5%	31.2%	60.2%	101.5%	601.0%
NET TUITION REVENUE	$4,264	$22,896	$63,333	$76,388	$75,150	$75,331	0.2%	-1.4%	18.9%	229.0%	1666.8%
TOTAL EDUCATION REVENUE	**$20,398**	**$78,903**	**$133,199**	**$161,752**	**$179,469**	**$187,500**	**4.5%**	**15.9%**	**40.8%**	**137.6%**	**819.2%**
CONSTANT INFLATION ADJUSTED DOLLARS (MILLIONS)											
HECA	0.2367	0.5662	0.7722	0.8528	0.9597	1.0000	4.2%	17.3%	29.5%	76.6%	322.6%
STATE PUBLIC FINANCIAL AID	N/A	$5,021	$8,733	$9,832	$10,553	$10,763	2.0%	9.5%	23.2%	114.3%	N/A
GENERAL PUBLIC OPERATIONS	N/A	$94,119	$82,730	$91,262	$96,737	$100,677	4.1%	10.3%	21.7%	7.0%	N/A
EDUCATION APPROPRIATIONS	$68,176	$99,116	$91,463	$101,104	$109,658	$113,106	3.1%	11.9%	23.7%	14.1%	65.9%
NET TUITION REVENUE	$18,017	$40,439	$82,020	$89,577	$78,309	$75,331	-3.8%	-15.9%	-8.2%	86.3%	318.1%
TOTAL EDUCATION REVENUE	**$86,194**	**$139,358**	**$172,501**	**$189,681**	**$187,013**	**$187,500**	**0.3%**	**-1.1%**	**8.7%**	**34.5%**	**117.5%**
CONSTANT INFLATION ADJUSTED DOLLARS (PER FTE)											
FTE ENROLLMENT	6,852,242	8,709,255	11,320,722	11,035,287	10,295,774	10,245,310	-0.5%	-7.2%	-9.5%	17.6%	49.5%
STATE PUBLIC FINANCIAL AID	N/A	$577	$771	$891	$1,025	$1,050	2.5%	17.9%	36.2%	82.2%	N/A
GENERAL PUBLIC OPERATIONS	N/A	$10,807	$7,308	$8,270	$9,396	$9,827	4.6%	18.8%	34.5%	-9.1%	N/A
EDUCATION APPROPRIATIONS	$9,949	$11,381	$8,079	$9,162	$10,651	$11,040	3.7%	20.5%	36.6%	-3.0%	11.0%
NET TUITION REVENUE	$2,629	$4,643	$7,245	$8,117	$7,606	$7,353	-3.3%	-9.4%	1.5%	58.4%	179.6%
TOTAL EDUCATION REVENUE	**$12,579**	**$16,001**	**$15,238**	**$17,189**	**$18,164**	**$18,301**	**0.8%**	**6.5%**	**20.1%**	**14.4%**	**45.5%**

NOTES:

1. Full-time equivalent enrollment converts student credit hours to full-time, academic year students, but excludes medical students.
2. State public financial aid is the part of education appropriations used for student financial aid at public institutions, excluding loans and aid for students attending medical schools.
3. General public operations are any state and local support for public higher education institutions and agencies, excluding RAM, financial aid, and non-credit and continuing education. Federal stimulus funding is not included.
4. Education appropriations are a measure of state and local support available for public higher education operating expenses and student financial aid, excluding appropriations for research, hospitals, and medical education. Education appropriations include federal stimulus funding.
5. Net tuition revenue is calculated by taking the gross amount of tuition and fees, less state and institutional financial aid, tuition waivers or discounts, and medical student tuition and fees.
6. Total education revenue is the sum of education appropriations and net tuition, excluding net tuition revenue used for capital debt service. Total education revenue includes federal stimulus funding.
7. The years 1980 and 2001 are included in this table because they are the starting points of the historical SHEF dataset and modern SHEF data collection, respectively.
8. The Higher Education Cost Adjustment (HECA) estimates inflation in the costs paid by colleges and universities. HECA adjusts for inflation from the state perspective.

SOURCE: State Higher Education Executive Officers Association

2. SECTOR TRENDS

Modeled after the previous section, *Table 2.1A* shows the impacts of inflation and enrollment on sector-level revenue at public institutions beginning in 2019.

Sector-level education appropriations consist of state public financial aid, state public operating appropriations, and local appropriations. In unadjusted dollars, between 2022 and 2023, total education appropriations increased 5.6% at two-year institutions and 7.9% at four-year institutions. Four-year institutions also receive research, agriculture, and medical (RAM) appropriations, which increased 7.9% from 2022.

In unadjusted dollars, net tuition and fee revenue decreased 2.9% at two-year institutions. Comparatively, unadjusted net tuition and fee revenue increased 0.8% at four-year institutions.

The second section of *Table 2.1A* shows that from 2022 to 2023, higher education inflation was 4.2%. After adjusting for inflation, all components of state support to two-year institutions increased between 1.0% to 1.6%. At four-year institutions, all components of state support increased 2.2% to 4.4% after adjusting for inflation, with the largest increase in state public operating.

Net FTE enrollment declined 0.3% at two-year institutions and 0.6% at four-year institutions. After considering changes in net FTE enrollment in the third section of the table, we see that in constant inflation-adjusted dollars per FTE enrollment:

- State public financial aid per FTE increased by $12 (1.9%) at two-year institutions, and $35 (2.8%) per FTE at four-year institutions.
- State public operating per FTE increased $83 (1.3%) at two-year institutions and $427 (5.1%) at four-year institutions.
- Local appropriations per FTE increased $53 (1.6%) at two-year institutions and just under $1 (2.9%) at four-year institutions.
- Research, agricultural extension, and medical appropriations only available to four-year institutions increased by $84 (4.2%) per FTE.
- Total state and local support per FTE increased by $167 (1.6%) at two-year institutions and $497 (4.2%) at four-year institutions.
- Net tuition revenue per FTE declined by $183 (6.6%) at two-year institutions and $285 (2.7%) at four-year institutions.
- Total education revenue per FTE decreased $16 (0.1%) at two-year institutions, but increased $129 (0.6%) at four-year institutions.

Additional analysis of sector-level trends on these metrics can be found throughout the remainder of the SHEF report.

TABLE 2.1A

IMPACT OF INFLATION AND ENROLLMENT ON SHEF METRICS BY SECTOR, U.S., FY 2019-2023

	TWO-YEAR					FOUR-YEAR				
CURRENT UNADJUSTED DOLLARS (MILLIONS)	**2019**	**2022**	**2023**	**% CHANGE SINCE 2022**	**% CHANGE SINCE 2019**	**2019**	**2022**	**2023**	**% CHANGE SINCE 2022**	**% CHANGE SINCE 2019**
STATE PUBLIC FINANCIAL AID	$2,401	$2,398	$2,538	5.9%	5.7%	$6,371	$7,540	$8,029	6.5%	26.0%
STATE PUBLIC OPERATING	$20,189	$23,224	$24,455	5.3%	21.1%	$46,241	$51,782	$56,346	8.8%	21.9%
LOCAL APPROPRIATIONS	$11,118	$12,575	$13,272	5.5%	19.4%	$126	$123	$131	6.6%	4.0%
RAM	$-	$-	$-	N/A	N/A	$10,894	$12,245	$13,217	7.9%	21.3%
STATE AND LOCAL SUPPORT	$33,708	$38,405	$40,556	5.6%	20.3%	$63,654	$72,787	$78,546	7.9%	23.4%
EDUCATION APPROPRIATIONS	$33,708	$38,405	$40,556	5.6%	20.3%	$52,738	$60,523	$65,306	7.9%	23.8%
NET TUITION REVENUE	$11,779	$10,327	$10,025	-2.9%	-14.9%	$63,602	$65,012	$65,502	0.8%	3.0%
TOTAL EDUCATION REVENUE	**$45,393**	**$48,654**	**$50,503**	**3.8%**	**11.3%**	**$115,531**	**$124,694**	**$129,948**	**4.2%**	**12.5%**
CONSTANT INFLATION ADJUSTED DOLLARS (MILLIONS)										
HECA	0.8723	0.9597	1.0000	4.2%	14.6%	0.8723	0.9597	1.0000	4.2%	14.6%
STATE PUBLIC FINANCIAL AID	$2,753	$2,498	$2,538	1.6%	-7.8%	$7,303	$7,857	$8,029	2.2%	9.9%
STATE PUBLIC OPERATING	$23,143	$24,201	$24,455	1.1%	5.7%	$53,009	$53,959	$56,346	4.4%	6.3%
LOCAL APPROPRIATIONS	$12,745	$13,104	$13,272	1.3%	4.1%	$144	$128	$131	2.3%	-9.3%
RAM	$-	$-	$-	N/A	N/A	$12,488	$12,760	$13,217	3.6%	5.8%
STATE AND LOCAL SUPPORT	$38,642	$40,020	$40,556	1.3%	5.0%	$72,970	$75,847	$78,546	3.6%	7.6%
EDUCATION APPROPRIATIONS	$38,642	$40,020	$40,556	1.3%	5.0%	$60,456	$63,067	$65,306	3.5%	8.0%
NET TUITION REVENUE	$13,503	$10,761	$10,025	-6.8%	-25.8%	$72,911	$67,745	$65,502	-3.3%	-10.2%
TOTAL EDUCATION REVENUE	**$52,037**	**$50,700**	**$50,503**	**-0.4%**	**-2.9%**	**$132,440**	**$129,936**	**$129,948**	**0.0%**	**-1.9%**
CONSTANT INFLATION ADJUSTED DOLLARS (PER FTE)										
FTE ENROLLMENT	4,378,860	3,877,177	3,866,780	-0.3%	-11.7%	6,593,952	6,418,597	6,378,529	-0.6%	-3.3%
STATE PUBLIC FINANCIAL AID	$629	$644	$656	1.9%	4.4%	$1,108	$1,224	$1,259	2.8%	13.7%
STATE PUBLIC OPERATING	$5,285	$6,242	$6,325	1.3%	19.7%	$8,039	$8,407	$8,834	5.1%	9.9%
LOCAL APPROPRIATIONS	$2,911	$3,380	$3,432	1.6%	17.9%	$22	$20	$21	2.9%	-6.2%
RAM	$-	$-	$-	N/A	N/A	$1,894	$1,988	$2,072	4.2%	9.4%
STATE AND LOCAL SUPPORT	$8,825	$10,322	$10,488	1.6%	18.9%	$11,066	$11,817	$12,314	4.2%	11.3%
EDUCATION APPROPRIATIONS	$8,825	$10,322	$10,488	1.6%	18.9%	$9,168	$9,826	$10,238	4.2%	11.7%
NET TUITION REVENUE	$3,084	$2,776	$2,593	-6.6%	-15.9%	$11,057	$10,555	$10,269	-2.7%	-7.1%
TOTAL EDUCATION REVENUE	**$11,884**	**$13,076**	**$13,061**	**-0.1%**	**9.9%**	**$20,085**	**$20,244**	**$20,373**	**0.6%**	**1.4%**

NOTES:

1. State public financial aid is any state appropriated student financial aid for public institutions, excluding loans and aid for students attending medical schools. For many states, it includes aid for both tuition costs and living expenses.
2. State public operating appropriations are a measure of state support directly allocated to public two- and four-year institutions. State public operating excludes local appropriations, agency funding, RAM, and student financial aid.
3. Local appropriations are any local government taxes allocated directly to institutions for operating expenses.
4. RAM refers to the total appropriations intended for the direct operations of research, agriculture, public health care services, and medical schools.
5. Education appropriations are a measure of state and local support available for public higher education operating expenses and student financial aid, excluding appropriations for research, hospitals, and medical education. Sector-level education appropriations include any portion of federal stimulus funding allocated specifically to each sector but exclude state agency funding.
6. Net tuition revenue is calculated by taking the gross amount of tuition and fees, less state and institutional financial aid, tuition waivers or discounts, and medical student tuition and fees.
7. Total education revenue is the sum of education appropriations and net tuition, excluding net tuition revenue used for capital debt service. Sector-level total education revenue includes any portion of federal stimulus funding allocated specifically to each sector.
8. The year 2019 is included in this table because it is the starting point of the sector-level SHEF dataset.
9. Sector is determined at the institution level using the Carnegie Basic Classification (carnegieclassifications.acenet.edu). Baccalaureate/Associate's Colleges and "less-than-two-year" degree-granting institutions not assigned a Carnegie classification are considered two-year institutions.
10. The Higher Education Cost Adjustment (HECA) estimates inflation in the costs paid by colleges and universities. HECA adjusts for inflation from the state perspective.

SOURCE: State Higher Education Executive Officers Association

EDUCATION APPROPRIATIONS AND TUITION REVENUE

The historical data in *Figure 2.1* (the wave chart) demonstrate the economic cycle's impact on **public** higher education revenue from 1998 to 2023.[11] **From this point forward, all dollar figures in the SHEF report are adjusted for inflation and net FTE enrollment.**

1. NATIONAL TRENDS

The **red line** in the wave chart shows FTE enrollment over the last 25 years, which has broadly increased over time from 6.85 million in 1980 to 10.2 million in 2023.[12] Historically, enrollment increased sharply during economic recessions and would level off or decline during economic recoveries. This pattern held during the Great Recession as enrollment increased sharply from 2008 through 2011, and then slowly declined for most of the next decade as state economies recovered. However, the COVID-19 pandemic and ensuing economic recession in 2020 altered the traditional counter-cyclical enrollment trend with the largest year-over-year decline on record (3.3%) in 2021. In 2023, enrollment continued to decline in public institutions, dropping by another 0.5% for a total of 10,245,310 FTE students. This means FTE enrollment in 2023 was down 12.1% from the peak in 2011, and 0.2% below 2008 levels.

The **total of the blue and green bars** in the wave chart combines the two primary funding sources for public higher education — education appropriations and net tuition. The **blue bars** show change over time in education appropriations per FTE student. State education appropriations are made up of general operating funds for public institutions, state public financial aid, and state agency funding. The bars make the shape of a wave over time because per-student education appropriations generally fluctuate with the economic cycle. Education appropriations also include federal stimulus funding during the last two economic recessions.

In 1980, states provided, on average, $9,949 per FTE in inflation-adjusted education appropriations to public institutions. From there, funding for higher education changed in response to the economic cycle, declining during economic recessions but overall growing (on a per-FTE basis) during the next two decades. In fiscal year 2000, education appropriations reached a high of $11,492 per FTE. Since that peak, however, education appropriations have declined, down 3.9% ($452 per FTE) in the span of 23 years.

Overall, appropriations have increased for 11 consecutive years. In 2023, inflation-adjusted education appropriations were 6.7%, or $697 per FTE, above 2008 levels. This increase in education appropriations can be attributed to three notable trends:

1. Increasing state commitments to higher education funding.
2. A sharp decline in FTE enrollment.
3. Federal stimulus funding given to states to protect their revenues and support additional costs due to the COVID-19 pandemic and economic recession.

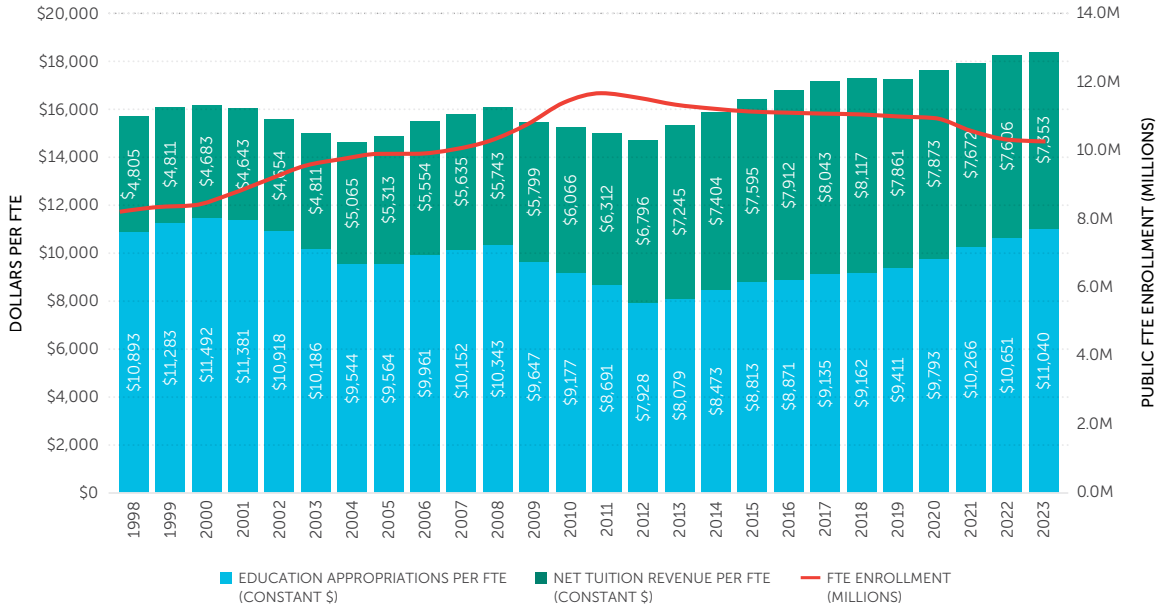
The **green bars** in *Figure 2.1* show net tuition and fee revenue per FTE over time. Net tuition and fee revenue measures tuition and fee revenue at public institutions, excluding state and institutional financial aid. Unlike education appropriations, until very recently, net tuition and fee revenue has increased steadily over time, with an average annual net increase of 2.5% above inflation since 1980. These increases are primarily due to increases in tuition and fee rates and an increasing proportion of out-of-state, international, and graduate student enrollment.

11. Visit the SHEF website (shef.sheeo.org) for a fully interactive version of *Figure 2.1*.
12. The funding levels and trends over time shown in the U.S. wave chart differ substantially by state.

In 2023, public institutions received, on average, $7,353 per FTE in net tuition and fee revenue. **After reaching an all-time high in 2018 ($8,117 per FTE), net tuition and fee revenue per FTE has decreased in four of the last five years: 3.2% in 2019, 2.5% in 2021, 0.9% in 2022, and 3.3% in 2023. Notably, 2023 is the largest decline in net tuition and revenue per FTE since the SHEF dataset began in 1980.** Recent net tuition and fee revenue declines have been due, at least in part, to flat tuition rates, continued increases in state support and financial aid, and changes in enrollment patterns. Prior to 2019, the only times net tuition and fee revenue per FTE declined were fiscal years 2000 and 2001, two years immediately preceding an economic recession.

FIGURE 2.1

PUBLIC FTE ENROLLMENT, EDUCATION APPROPRIATIONS PER FTE, AND NET TUITION REVENUE PER FTE, U.S., FY 1998-2023 (CONSTANT DOLLARS)



NOTES:

1. Education appropriations are a measure of state and local support available for public higher education operating expenses and student financial aid, excluding appropriations for research, hospitals, and medical education. Education appropriations include federal stimulus funding.
2. Net tuition revenue is calculated by taking the gross amount of tuition and fees, less state and institutional financial aid, tuition waivers or discounts, and medical student tuition and fees.
3. Full-time equivalent enrollment converts student credit hours to full-time, academic year students, but excludes medical students.
4. Constant 2023 dollars adjusted by the Higher Education Cost Adjustment (HECA).

SOURCE: State Higher Education Executive Officers Association

Economic recessions profoundly impact state funding for higher education. Higher education is viewed as a discretionary item in state budgets and, traditionally, has been disproportionately cut compared to other state budget areas during economic downturns.[13] This trend changed following the brief economic downturn in 2020. *Figure 2.2* provides a more detailed look at the impact of economic recessions on state higher education appropriations.

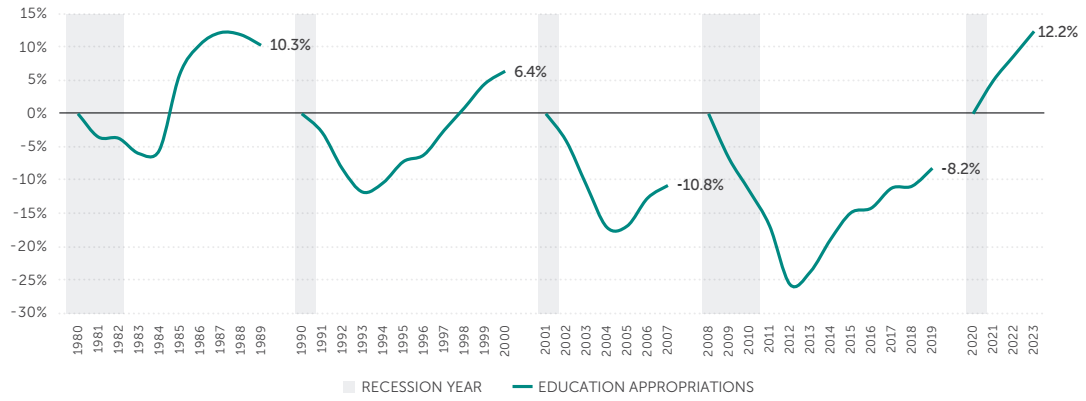
13. Delaney, J., & Doyle, W. (2011). State spending on higher education: Testing the balance wheel over time. *Journal of Education Finance, 36*(4). www.jstor.org/stable/23018116

In *Figure 2.2,* we begin each recessionary period at zero and track the cumulative percent change over the course of the economic recession and recovery. With each recession until the most recent one in 2020, declines in state support per FTE grew steeper and recoveries became slower and incomplete. However, the trend of education appropriations declining immediately following an economic recession reversed in 2021, after there was no decline following the COVID-19 pandemic-induced short economic recession in 2020.[14] In the three years following the brief economic downturn, education appropriations per FTE had a cumulative annual increase of 12.2% (the short straight line in *Figure 2.2)*. This was thanks in large part to federal stimulus funding that helped fill state budget shortfalls from 2020 to 2023, reducing the need to defer funding from higher education to other budget areas. The federal government also provided specific funds to states to use for education, which many states allocated, in part, to higher education. See *Measurement Note: Federal Stimulus Funding* for more information.

Without federal stimulus funding states allocated to higher education, funding would have increased 12.7% from 2020. In addition to federal stimulus funds reducing the need for states to defer state dollars from higher education to other budget areas, these sizable increases are in part due to continued FTE enrollment declines which have not followed previous recessions. **Still, had FTE enrollment held constant and federal stimulus funding not come through for states, inflation-adjusted education appropriations would have increased 5.8% from 2020.**

FIGURE 2.2

CUMULATIVE ANNUAL PERCENT CHANGE IN PUBLIC EDUCATION APPROPRIATIONS PER FTE FOLLOWING ECONOMIC RECESSIONS, U.S., FY 1980-2023 (CONSTANT DOLLARS)



NOTES:

1. Cumulative annual percent change calculated since the start of each recession (1980, 1990, 2001, 2008, and 2020).
2. Education appropriations are a measure of state and local support available for public higher education operating expenses and student financial aid, excluding appropriations for research, hospitals, and medical education. Education appropriations include federal stimulus funding.
3. Full-time equivalent enrollment converts student credit hours to full-time, academic year students, but excludes medical students.
4. Constant 2023 dollars adjusted by the Higher Education Cost Adjustment (HECA).

SOURCE: State Higher Education Executive Officers Association

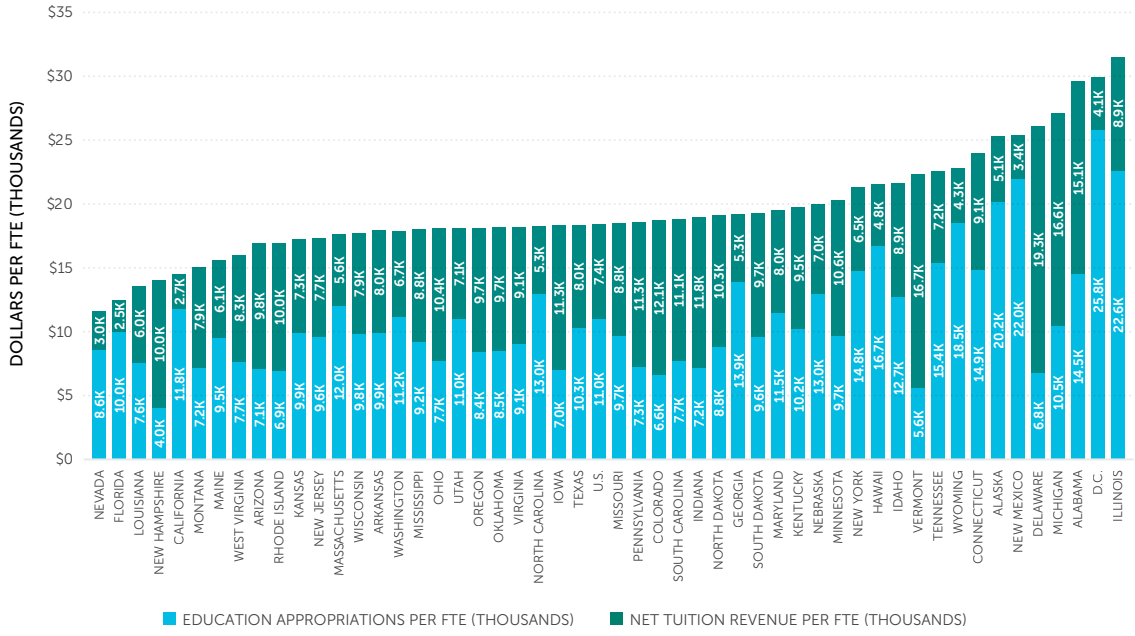
14. National Bureau of Economic Research. (2021). Business cycle dating committee announcement July 19, 2021. www.nber.org/news/business-cycle-dating-committee-announcement-july-19-2021

2. STATE COMPARISONS

Education appropriations and net tuition and fee revenue per FTE vary considerably by state. *Figure 2.3* provides an expanded view of the *Figure 2.1* wave chart for all states in fiscal year 2023. States range widely in their total amount and distribution of revenue derived from education appropriations and net tuition and fees. For example, Nevada had the lowest combined revenue per FTE, but 74.2% came from state funding. Louisiana had a similar total combined revenue, but 55.8% of funding came from education appropriations. At the other end of the spectrum, Illinois and Alabama had among the highest combined revenues. However, in Illinois, 71.7% of the total came from education appropriations, whereas that proportion was 49.1% in Alabama.

FIGURE 2.3

EDUCATION APPROPRIATIONS AND NET TUITION REVENUE PER FTE BY STATE, FY 2023 (ADJUSTED)



NOTES:

1. Education appropriations are a measure of state and local support available for public higher education operating expenses and student financial aid, excluding appropriations for research, hospitals, and medical education. Education appropriations include federal stimulus funding.
2. Net tuition revenue is calculated by taking the gross amount of tuition and fees, less state and institutional financial aid, tuition waivers or discounts, and medical student tuition and fees.
3. The U.S. calculation does not include the District of Columbia.
4. In fiscal year 2023 FTE enrollment is estimated for Arkansas, Oklahoma, and Pennsylvania; federal stimulus is estimated for Kentucky; net tuition and fee revenue is estimated for Arkansas, Kentucky, Oklahoma, and Pennsylvania.
5. Each year, approximately one-third of education appropriations in Illinois go toward the state's retirement pension system. See the Illinois State Spotlight for more details.
6. Adjustment factors to account for interstate differences include the Cost of Living Index (COLI) and Enrollment Mix Index (EMI). The COLI is not a measure of inflation over time.

SOURCE: State Higher Education Executive Officers Association

STATE SPOTLIGHT: ILLINOIS



EDUCATION APPROPRIATIONS PER FTE

Education appropriations per FTE in Illinois continue to be an outlier at roughly twice the U.S. average and 46.7% above 2000 levels (the U.S. high point). The significant increase in appropriations over the last decade is driven largely by the state's efforts to address its historically underfunded state retirement pension system. Another recent contributing factor is a one-time payment of $250 million for the state's prepaid tuition program that was appropriated in FY 2022 and is being disbursed over a span of years.

In 2018, 35.7% of all education appropriations in Illinois went to its state retirement pension system. This share grew to 36.8% in 2023. Of the $2.15 billion in pension payments in 2023, 78.1% was used for past unfunded liabilities, not current employees. This means that even after considering additional funding from local governments, over one quarter (28.7%) of all education appropriations in Illinois are now spent on past pension obligations and are not available for use in 2023. This translates to $6,492 per FTE student, more than the entire per-FTE appropriations in New Hampshire and Vermont.

A SHEF Issue Brief on Illinois from the 2018 SHEF report provides more detail on the funding situation in Illinois over time.

3. SECTOR COMPARISONS

Public higher education revenues vary considerably across public two-year and four-year institutions. *Figure 2.4* shows higher education revenues for public two-year and four-year institutions separately beginning in 2019.

As shown in *Figure 2.4,* education appropriations at four-year public institutions were slightly above those at two-year public institutions in 2019 ($9,168 per FTE and $8,825 per FTE, respectively). That trend reversed in 2021 and has continued with education appropriations at two-year institutions exceeding those at four-year institutions by $250 per FTE in 2023.[15] In large part, the difference in education appropriations per FTE between two- and four-year public institutions is because SHEF data reported here include local appropriations, which primarily support two-year institutions ($3,432 per FTE compared to $21 at four-year institutions), but do not include research, agricultural extension, and medical funding (RAM), of which an additional $2,072 per FTE was exclusively appropriated to four-year institutions in 2023. In addition, SHEF metrics use FTE enrollment rather than student headcount, and two-year institutions have a far greater proportion of part-time students.[16]

15. There are several differences in education appropriations between the state and sector levels. The state-level data include agency funding and all federal stimulus funding allocated to public institutions. The sector-level data exclude agency funding and include only the federal stimulus funding allocated to two-year or four-year public operating. In a few states, some uncategorizable state support and uncategorizable financial aid could not be allocated to either sector.

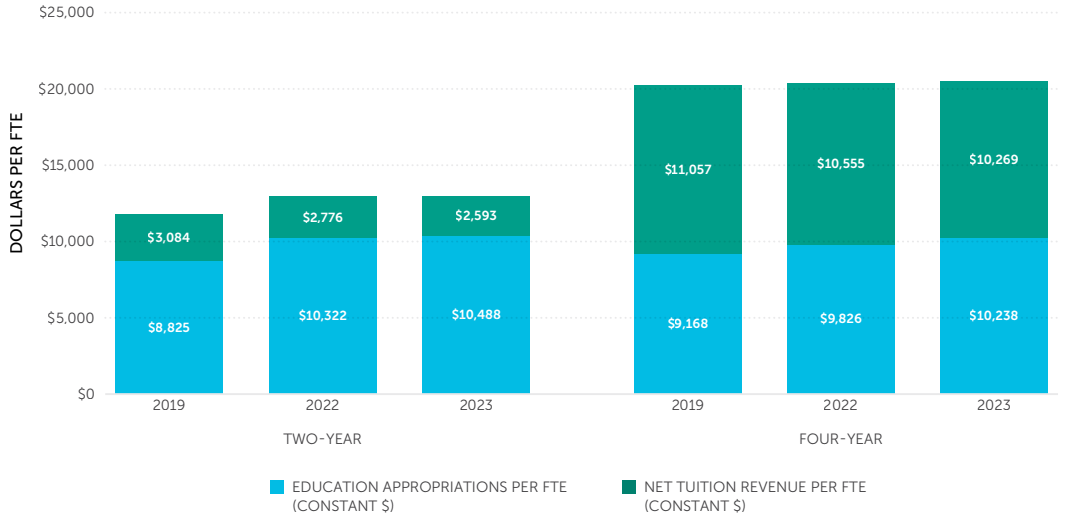
16. According to the National Center for Education Statistics, in fall 2022, an estimated 37% of two-year students (at both public and private institutions) attended full time, compared to 73% at four-year institutions. Source: Table 303.70, nces.ed.gov/programs/digest/d22/tables/dt22_303.70.asp.

Education appropriations per FTE throughout the report include federal stimulus funding. In 2023, two-year institutions received $75 per FTE in federal stimulus for public operating, and four-year institutions received $125 per FTE.

Unlike education appropriations, net tuition and fee revenue is very different at two- and four-year institutions. On average, two-year institutions received $2,593 in net tuition revenue per FTE, or 25.2% of the average net tuition revenue per FTE at four-year institutions ($10,269). As a result, public four-year institutions have, on average, much higher total revenues with which to educate students than two-year institutions.

FIGURE 2.4

PUBLIC EDUCATION APPROPRIATIONS AND NET TUITION REVENUE PER FTE BY SECTOR, U.S., FY 2019-2023 (CONSTANT DOLLARS)



NOTES:

1. Education appropriations are a measure of state and local support available for public higher education operating expenses and student financial aid, excluding appropriations for research, hospitals, and medical education. Sector-level education appropriations include any portion of federal stimulus funding allocated specifically to each sector, but exclude state agency funding.
2. Net tuition revenue is calculated by taking the gross amount of tuition and fees, less state and institutional financial aid, tuition waivers or discounts, and medical student tuition and fees.
3. Full-time equivalent enrollment converts student credit hours to full-time, academic year students, but excludes medical students.
4. Sector is determined at the institution level using the Carnegie Basic Classification (carnegieclassifications.acenet.edu). Baccalaureate/Associate's Colleges and "less-than-two-year" degree-granting institutions not assigned a Carnegie classification are considered two-year institutions.
5. Constant 2023 dollars adjusted by the Higher Education Cost Adjustment (HECA).

SOURCE: State Higher Education Executive Officers Association

FINANCIAL AID PERCENTAGE OF EDUCATION APPROPRIATIONS

Education appropriations shown in the above sections include funding for institutions (general public operations) as well as funding for student financial aid. States allocate financial aid to students attending both public (80.2%) and private (19.3%) institutions. A small portion of financial aid (0.3%) is allocated to students attending out-of-state institutions. SHEF focuses specifically on state funding for public institutions, and financial aid to independent and out-of-state institutions is excluded from education appropriations.[17] This section examines inflation-adjusted state financial aid for students attending **public, in-state institutions**.

Figure 2.5 shows the change in state financial aid for students at public institutions over time. Unlike the rest of education appropriations, state public financial aid has increased consistently over time.

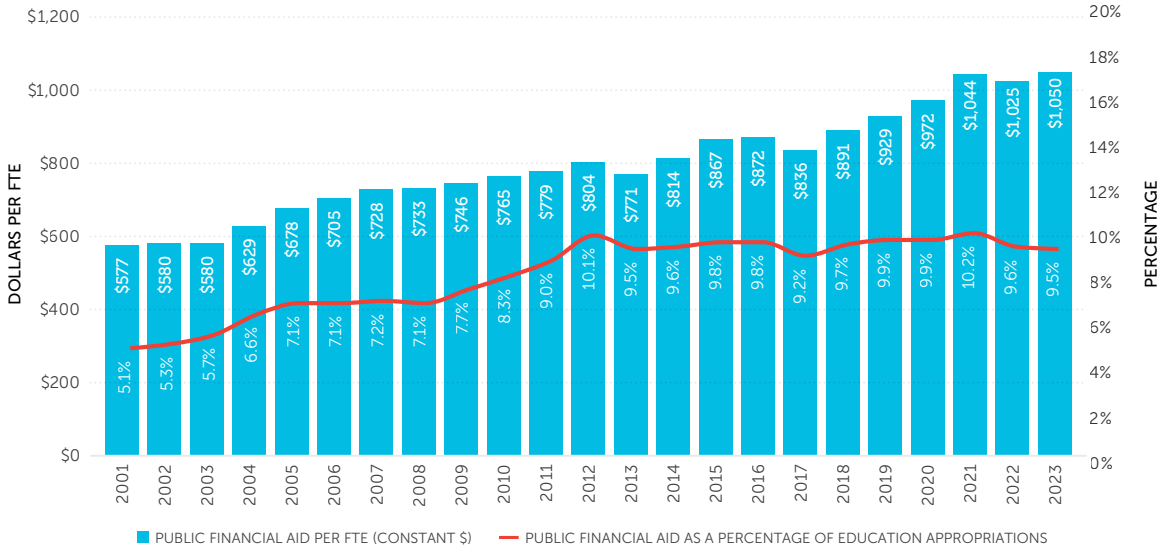
- State financial aid to public institutions has increased 82.2%, from $577 in 2001 (when these data were first collected) to $1,050 in 2023.
- Following the short recession in 2020, public aid as a portion of all education appropriations peaked at 10.2% in 2021, double that of 2001. Since, public aid as a portion of all education appropriations has decreased for two consecutive years, down to 9.5% in 2023.[18]

17. Trends in state-funded student financial aid for students attending public institutions differ substantially from trends in aid for students attending independent institutions. The composition of state financial aid has also changed over time. For more information, the 2019 SHEF Issue Brief (shef.sheeo.org/wp-content/uploads/2020/04/SHEEO_SHEF_FY19_IB_Financial_Aid.pdf) on state financial aid explores trends over time in state financial aid to public and private institutions by state.

18. For more information about how states protected student affordability during the COVID-19 pandemic, see the SHEEO report, Effects of the COVID-19 pandemic on state tuition, fees, and financial assistance policies, at sheeo.org/wp-content/uploads/2023/04/COVID19-Tuition-and-Fee-Survey.pdf.

FIGURE 2.5

PUBLIC HIGHER EDUCATION STATE FINANCIAL AID PER FTE AND AS A PERCENTAGE OF EDUCATION APPROPRIATIONS, U.S., FY 2001-2023 (CONSTANT DOLLARS)



NOTES:

1. State public financial aid is any state appropriated student financial aid for public institutions, excluding loans and aid for students attending medical schools. For many states, it includes aid both for tuition costs and living expenses.
2. Financial aid data are not available prior to 2001. Over time, states have shifted from reporting appropriated student financial aid to reporting actual/awarded student financial aid (see measurement note). Any such updates are made to all historical data for each state.
3. Education appropriations are a measure of state and local support available for public higher education operating expenses and student financial aid, excluding appropriations for research, hospitals, and medical education. Education appropriations include federal stimulus funding.
4. Constant 2023 dollars adjusted by the Higher Education Cost Adjustment (HECA).

SOURCE: State Higher Education Executive Officers Association

STUDENT SHARE

Despite increasing state allocations to student financial aid over the last several decades, student contributions to higher education revenues have increased over time. However, in recent years, growth in education appropriations and occasional declines in net tuition revenues have resulted in small decreases in institutional reliance on student tuition dollars. *Figure 2.6* provides a comprehensive look at the reliance on net tuition and fees as a revenue source for public institutions — also known as the student share. The student share shows the proportion of total education revenue that comes from net tuition and fees. Net tuition and fee revenue excludes state and institutional financial aid but does not exclude federal financial aid or loans.

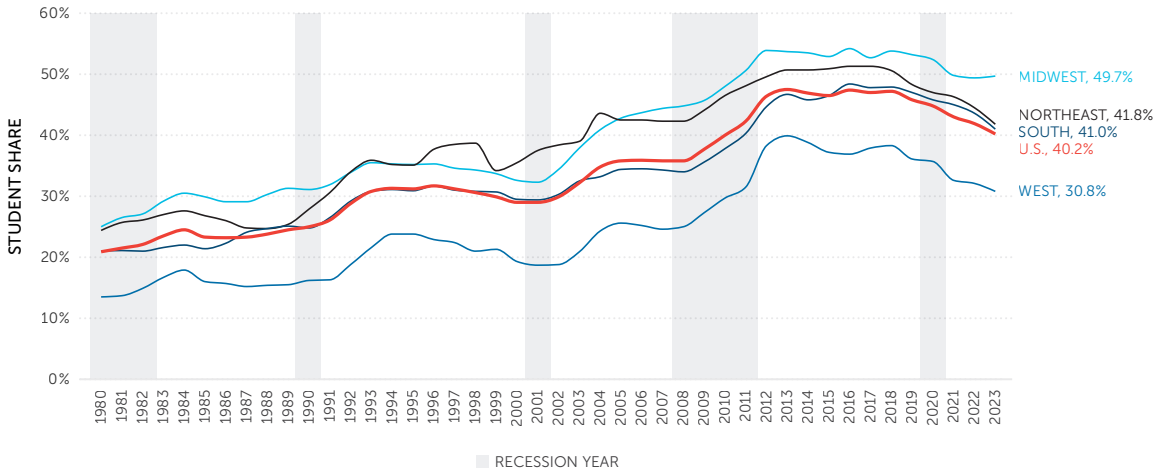
There has been a substantial shift of responsibility for financing public higher education toward net tuition and fee revenue (from 20.9% to 40.2%) since 1980. Historically, student share has increased most rapidly during periods of economic recession, shifting more of higher education costs to students and families. The student share grew rapidly during the Great Recession, increasing from 35.8% in 2008 to an all-time high of 47.5% in 2013. During this time, students and their families turned to federal aid to cushion their growing share of higher education costs.

When the economy stabilizes, the student share also stabilizes and, as in recent years, decreases. Since the 2013 high point, the student share has decreased in eight of the last 10 years, totaling a decline of 7.3 percentage points to 40.2% in 2023. The student share declined 4.6 percentage points since 2020, with the largest and second largest decreases ever observed in the SHEF dataset having occurred in 2021 (1.8 percentage points) and 2023 (1.7 percentage points). Decreases in student share occur when growth in education appropriations outpaces growth in net tuition revenue. Recent decreases in student share were due to declines in FTE enrollment and net tuition revenue, as well as continued federal stimulus funding given to states. This downward trend in the student share may change in upcoming years as federal stimulus funding is depleted and FTE enrollment levels out.

There are regional differences in the student share, but the overall trend of sharp increases during past economic recessions holds across each region. Since the student share high point in 2013 (47.5%), the student share declined in each region: 9.1 percentage points in the West, 8.9 in the Northeast, 5.7 in the South, and 4.0 in the Midwest. Historically and today, the student share is highest in the Midwest and Northeast, while the South tracks closely to the U.S. average, and the West has the lowest regional student share (*Figure 2.6)*.

FIGURE 2.6

NET TUITION AS A PERCENTAGE OF TOTAL EDUCATION REVENUE, U.S., FY 1980-2023



NOTES:

1. The student share is a measure of the proportion of total education revenue at public institutions coming from net tuition revenue. Net tuition revenue used for capital debt service is included in net tuition revenue, but excluded from total education revenue in calculating the above figures. Total education revenue includes federal stimulus funding.
2. Regional averages are based on the U.S. Census designation.

SOURCE: State Higher Education Executive Officers Association

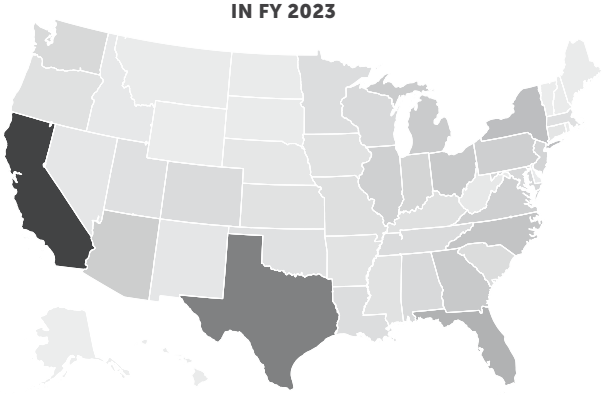
ENROLLMENT AND STATE FUNDING

There is wide variation in higher education finance across states. This section more deeply examines trends and interstate differences for measures of enrollment and state funding (education appropriations and student financial aid).

STUDENT ENROLLMENT

Full-time equivalent (FTE) enrollment converts student credit hours to full-time, academic year students, but excludes medical students. SHEF includes enrollment for all degree-seeking undergraduate and graduate students at public institutions. After years of steady enrollment increases since the SHEF data collection began, the number of FTE students enrolled in public institutions slowly declined, both nationally and across states, over the last decade. However, with the onset of the COVID-19 pandemic in early 2020, FTE enrollment has declined at unprecedented rates in recent years.[19]

NET FTE ENROLLMENT IN FY 2023



Historically, enrollment has increased in each decade. Starting in 2009, enrollment increased rapidly during and immediately following the Great Recession, having peaked at just over 11.6 million students in 2011.

Since 2011, FTE enrollment has declined for 12 straight years to 10.2 million in 2023. Between 2015 and 2020, these declines were less than 1.0% annually. In 2021, the COVID-19 pandemic led to a year-over-year decline of 3.3% in FTE enrollment, the largest decline since the start of the SHEF dataset in 1980. FTE enrollment continued to decline in 2022 (2.4%), and again in 2023 (0.5%). As a result, FTE enrollment in public institutions in 2023 was down 12.1% from the peak in 2011.

19. National Student Clearinghouse Research Center. (2023). Fall 2023 enrollment (as of September 2023). nscresearchcenter.org/stay-informed

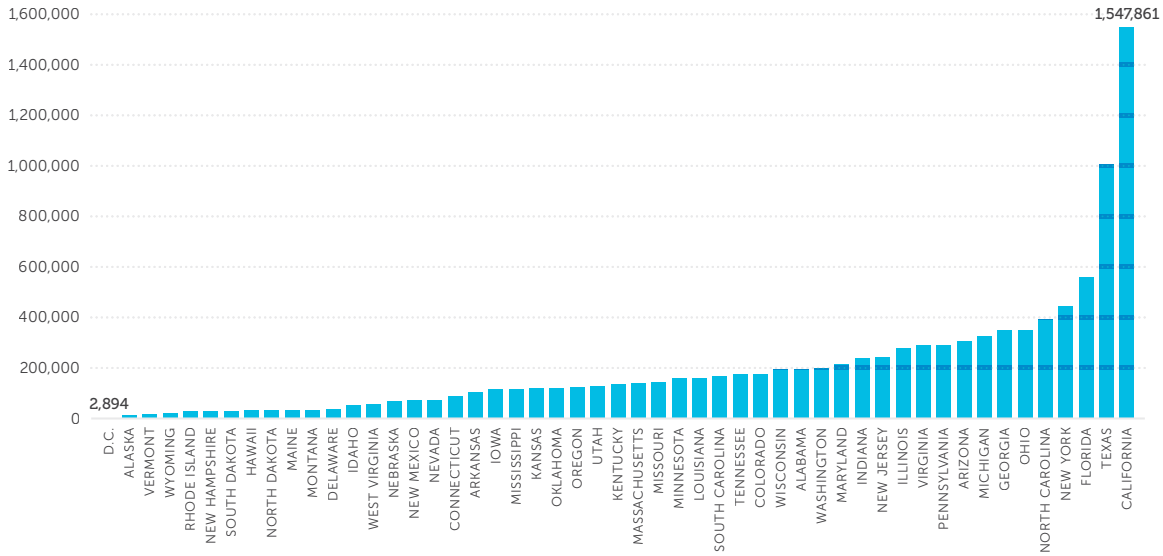
1. STATE COMPARISONS

Figure 3.1 shows net FTE enrollment for each state in fiscal year 2023. *Table 3.1* provides additional detail on how enrollment has changed over time in each state.

- Across the states, FTE enrollment ranged from roughly 2,894 students in Washington, D.C., and 12,075 in Alaska to 1.5 million students in California. One-fourth of all students attending a U.S. public institution enrolled in either California or Texas, with both states exceeding one million FTE students.
- **Enrollment declined in 25 states between 2022 and 2023.** These declines ranged from 0.1% in Nebraska (representing only 107 FTE students) to 5.3% in Ohio (19,464 FTE students).
- Enrollment increased in 25 states and Washington, D.C. Increases ranged from 0.01% (or 27 FTE students) in Georgia to 18.5% (or 13,924 FTE students) in Connecticut.
- Enrollment has declined in 43 states and Washington D.C., since 2013, but in only one state compared to the start of the SHEF dataset; FTE enrollment in Illinois has declined 18.6% since 1980.

FIGURE 3.1

PUBLIC HIGHER EDUCATION FULL-TIME EQUIVALENT (FTE) ENROLLMENT BY STATE, FY 2023



NOTES:

1. Full-time equivalent enrollment converts student credit hours to full-time, academic year students, but excludes medical students.
2. Fiscal year 2023 FTE enrollment is estimated for Arkansas, Oklahoma, and Pennsylvania.

SOURCE: State Higher Education Executive Officers Association

TABLE 3.1

PUBLIC HIGHER EDUCATION FULL-TIME EQUIVALENT (FTE) ENROLLMENT BY STATE, FY 1980-2023

	1980	2001	2013	2018	2022	2023	% CHANGE SINCE 2022	% CHANGE SINCE 2018	% CHANGE SINCE 2013	% CHANGE SINCE 2001	% CHANGE SINCE 1980
ALABAMA	138,620	165,833	197,110	202,506	191,445	197,404	3.1%	-2.5%	0.1%	19.0%	42.4%
ALASKA	10,530	16,079	21,151	17,555	12,440	12,075	-2.9%	-31.2%	-42.9%	-24.9%	14.7%
ARIZONA	120,148	194,629	270,644	290,816	309,160	304,993	-1.3%	4.9%	12.7%	56.7%	153.8%
ARKANSAS	53,130	87,337	124,157	114,872	102,567	103,606	1.0%	-9.8%	-16.6%	18.6%	95.0%
CALIFORNIA	979,142	1,322,308	1,500,851	1,606,728	1,582,288	1,547,861	-2.2%	-3.7%	3.1%	17.1%	58.1%
COLORADO	113,281	141,492	188,405	183,875	175,533	175,969	0.2%	-4.3%	-6.6%	24.4%	55.3%
CONNECTICUT	58,909	60,976	87,810	86,008	75,381	89,305	18.5%	3.8%	1.7%	46.5%	51.6%
DELAWARE	20,664	28,944	34,715	36,073	33,946	36,134	6.4%	0.2%	4.1%	24.8%	74.9%
FLORIDA	287,388	420,957	619,179	602,623	567,038	560,982	-1.1%	-6.9%	-9.4%	33.3%	95.2%
GEORGIA	157,155	234,998	355,866	351,519	348,450	348,477	0.0%	-0.9%	-2.1%	48.3%	121.7%
HAWAII	30,465	31,810	41,094	36,030	32,620	31,880	-2.3%	-11.5%	-22.4%	0.2%	4.6%
IDAHO	26,647	39,495	57,837	53,570	53,976	54,261	0.5%	1.3%	-6.2%	37.4%	103.6%
ILLINOIS	342,097	323,876	373,403	314,565	282,677	278,539	-1.5%	-11.5%	-25.4%	-14.0%	-18.6%
INDIANA	142,061	193,130	256,331	247,678	235,412	238,175	1.2%	-3.8%	-7.1%	23.3%	67.7%
IOWA	84,210	105,545	129,669	131,609	115,604	115,113	-0.4%	-12.5%	-11.2%	9.1%	36.7%
KANSAS	87,216	100,476	140,182	133,815	119,978	118,924	-0.9%	-11.1%	-15.2%	18.4%	36.4%
KENTUCKY	89,389	119,500	155,479	144,509	133,629	135,356	1.3%	-6.3%	-12.9%	13.3%	51.4%
LOUISIANA	106,686	168,121	174,552	161,670	158,195	159,036	0.5%	-1.6%	-8.9%	-5.4%	49.1%
MAINE	26,250	29,287	37,342	33,945	32,111	32,293	0.6%	-4.9%	-13.5%	10.3%	23.0%
MARYLAND	133,228	175,085	238,814	231,761	216,383	215,977	-0.2%	-6.8%	-9.6%	23.4%	62.1%
MASSACHUSETTS	122,952	128,404	171,974	163,673	142,397	139,082	-2.3%	-15.0%	-19.1%	8.3%	13.1%
MICHIGAN	318,166	333,584	411,770	372,155	332,067	324,705	-2.2%	-12.8%	-21.1%	-2.7%	2.1%
MINNESOTA	149,418	167,238	210,332	187,705	162,546	159,023	-2.2%	-15.3%	-24.4%	-4.9%	6.4%
MISSISSIPPI	85,292	102,490	132,114	130,279	119,101	117,296	-1.5%	-10.0%	-11.2%	14.4%	37.5%
MISSOURI	120,468	156,588	196,659	186,862	136,953	143,401	4.7%	-23.3%	-27.1%	-8.4%	19.0%
MONTANA	25,452	33,660	40,169	37,374	33,685	33,811	0.4%	-9.5%	-15.8%	0.4%	32.8%
NEBRASKA	56,360	65,725	81,270	76,792	71,335	71,228	-0.1%	-7.2%	-12.4%	8.4%	26.4%
NEVADA	19,367	48,107	65,917	76,109	74,078	73,956	-0.2%	-2.8%	12.2%	53.7%	281.9%
NEW HAMPSHIRE	19,415	26,506	39,224	37,643	30,874	30,009	-2.8%	-20.3%	-23.5%	13.2%	54.6%
NEW JERSEY	171,390	178,671	276,052	267,251	241,106	242,280	0.5%	-9.3%	-12.2%	35.6%	41.4%
NEW MEXICO	48,268	66,847	101,239	83,747	70,189	73,111	4.2%	-12.7%	-27.8%	9.4%	51.5%
NEW YORK	418,679	449,959	571,693	547,033	455,844	445,675	-2.2%	-18.5%	-22.0%	-1.0%	6.4%
NORTH CAROLINA	165,642	266,217	410,622	392,138	390,900	393,774	0.7%	0.4%	-4.1%	47.9%	137.7%
NORTH DAKOTA	26,735	31,922	37,122	34,969	31,822	32,160	1.1%	-8.0%	-13.4%	0.7%	20.3%
OHIO	291,000	337,379	400,796	387,109	368,517	349,053	-5.3%	-9.8%	-12.9%	3.5%	19.9%
OKLAHOMA	96,476	121,111	144,138	131,083	120,966	119,478	-1.2%	-8.9%	-17.1%	-1.3%	23.8%
OREGON	96,946	111,006	160,939	148,139	122,910	123,725	0.7%	-16.5%	-23.1%	11.5%	27.6%
PENNSYLVANIA	243,296	288,334	364,468	346,930	298,847	291,659	-2.4%	-15.9%	-20.0%	1.2%	19.9%
RHODE ISLAND	23,237	25,622	33,042	32,270	28,741	28,491	-0.9%	-11.7%	-13.8%	11.2%	22.6%
SOUTH CAROLINA	95,600	132,404	178,240	164,402	166,231	170,214	2.4%	3.5%	-4.5%	28.6%	78.0%
SOUTH DAKOTA	18,623	22,064	32,945	32,899	30,645	30,736	0.3%	-6.6%	-6.7%	39.3%	65.0%
TENNESSEE	124,022	159,838	188,759	182,845	173,240	175,744	1.4%	-3.9%	-6.9%	10.0%	41.7%
TEXAS	466,900	667,534	1,019,173	1,044,376	993,823	1,006,957	1.3%	-3.6%	-1.2%	50.8%	115.7%
UTAH	47,061	91,953	123,851	125,550	128,774	129,100	0.3%	2.8%	4.2%	40.4%	174.3%
VERMONT	13,656	15,914	21,279	20,583	19,633	19,290	-1.7%	-6.3%	-9.3%	21.2%	41.3%
VIRGINIA	175,197	236,014	320,481	303,300	288,995	289,778	0.3%	-4.5%	-9.6%	22.8%	65.4%
WASHINGTON	163,866	204,663	248,273	237,289	207,919	201,544	-3.1%	-15.1%	-18.8%	-1.5%	23.0%
WEST VIRGINIA	53,331	62,902	78,458	68,746	58,865	57,662	-2.0%	-16.1%	-26.5%	-8.3%	8.1%
WISCONSIN	174,163	196,523	229,463	211,610	194,947	195,141	0.1%	-7.8%	-15.0%	-0.7%	12.0%
WYOMING	14,048	20,198	25,669	22,699	20,991	20,867	-0.6%	-8.1%	-18.7%	3.3%	48.5%
U.S.	**6,852,242**	**8,709,255**	**11,320,722**	**11,035,287**	**10,295,774**	**10,245,310**	**-0.5%**	**-7.2%**	**-9.5%**	**17.6%**	**49.5%**
D.C.	N/A	N/A	3,945	3,568	2,758	2,894	4.9%	-18.9%	-26.6%	N/A	N/A

NOTES:

1. Full-time equivalent enrollment converts student credit hours to full-time, academic year students, but excludes medical students.
2. The U.S. calculation does not include the District of Columbia. Data for the District of Columbia are not available prior to 2011.
3. The years 1980 and 2001 are included in this table because they are the starting points of the historical SHEF dataset and modern SHEF data collection, respectively.
4. In fiscal year 2023, FTE enrollment is estimated for Arkansas, Oklahoma, and Pennsylvania. Texas updated the methodology to capture FTE enrollment starting in 2017. Years prior to 2017 do not reflect this new methodology, which may affect some year-to-year comparisons.

SOURCE: State Higher Education Executive Officers Association

2. SECTOR COMPARISONS

Table 3.1A presents data on net FTE enrollment for the public two-year and four-year sectors separately. In 2023, there were 3.87 million FTE enrolled students at two-year institutions. Alaska and Washington, D.C., have no public two-year institutions. Two-year enrollment across all other states ranged from 2,609 FTE in Vermont to 892,064 FTE in California. Twenty-three percent of students attending a U.S. public two-year institution in 2023 attended a California community college.

- From 2022 to 2023, two-year enrollment declined in 23 states. Enrollment declines ranged from 10.9% (or 12,217 FTE students) in Ohio to 0.06% (or 13 FTE students) in Connecticut.
- Two-year FTE enrollment increased in 26 states from 2022 to 2023. Enrollment increases ranged from 0.3% (or 139 FTE students) in Iowa to 19.1% (or 1,580 FTE students) in Maine.

There were 6.38 million FTE enrolled students at four-year institutions in 2023, about 1.6 times the number of two-year students. Enrollment at four-year institutions ranged from 2,894 in Washington D.C., and 9,564 in Wyoming to 655,797 in California. Notably, California represented one-tenth of all four-year public enrollment in 2023.

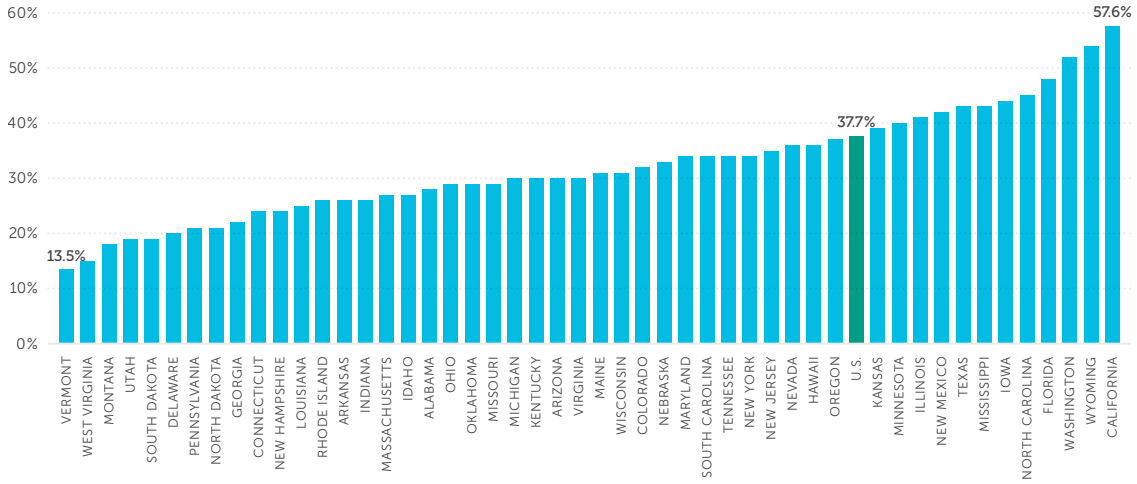
- From 2022 to 2023, four-year FTE enrollment declined in 34 states. Enrollment declines ranged from 5.9% (or 1,398 FTE students) in Maine to 0.03% (or 13 FTE students) in Nevada.
- Four-year FTE enrollment increased in 16 states and Washington, D.C., from 2022 to 2023. Enrollment increases ranged from 0.1% (or 21 FTE students) in South Dakota to 25.7% (13,937 FTE students) in Connecticut.

In 2023, 17 states had year-over-year enrollment declines in both sectors while 10 had enrollment increases across both sectors. The four-year sector generally had larger enrollment declines across states — in 29 states, enrollment took a larger hit in the four-year sector than in the two-year sector from 2022 to 2023.

Figure 3.1A shows that states enroll different proportions of students across sectors. Overall, 37.7% of public FTE students attended a two-year institution in the United States — a decline of 2.2 percentage points from 2019. The percentage of FTE at two-year institutions varied from only 13.5% in Vermont to 57.6% in California. **Only California, Washington, and Wyoming had more FTE students enrolled in the two-year sector than in the four-year sector.**

FIGURE 3.1A

PERCENTAGE OF PUBLIC HIGHER EDUCATION FULL-TIME EQUIVALENT (FTE) ENROLLMENT ATTENDING TWO-YEAR INSTITUTIONS BY STATE, FY 2023



NOTES:

1. Full-time equivalent enrollment converts student credit hours to full-time, academic year students, but excludes medical students.
2. Alaska and the District of Columbia are excluded from this figure because they do not have any public two-year institutions.
3. Sector is determined at the institution level using the Carnegie Basic Classification (carnegieclassifications.acenet.edu). Baccalaureate/Associate's Colleges and "less-than-two-year" degree-granting institutions not assigned a Carnegie classification are considered two-year institutions.
4. Fiscal year 2023 sector-level FTE enrollment is estimated for Arkansas, Oklahoma, and Pennsylvania.

SOURCE: State Higher Education Executive Officers Association

MEASUREMENT NOTE: SECTOR ENROLLMENT MIX

States vary in the proportion of enrollment attending two-year and four-year public institutions. In addition, as the following sections will show, the two-year and four-year public sectors have very different revenue structures and total revenues. These varying enrollment proportions and different revenue structures make state-level data more difficult to compare. The Enrollment Mix Index (EMI) adjustment used throughout the state-level metrics in this report attempts to correct for this variation in FTE enrollment. Sector-level data are not adjusted for EMI (and do not need to be). See the SHEF website to learn more about how the EMI adjustment is calculated.

TABLE 3.1A

PUBLIC HIGHER EDUCATION FULL-TIME EQUIVALENT (FTE) ENROLLMENT BY SECTOR AND STATE, FY 2019-2023

	TWO-YEAR FTE					FOUR-YEAR FTE				
	2019	2022	2023	% CHANGE SINCE 2022	% CHANGE SINCE 2019	2019	2022	2023	% CHANGE SINCE 2022	% CHANGE SINCE 2019
ALABAMA	59,288	52,783	55,842	5.8%	-5.8%	143,485	138,662	141,562	2.1%	-1.3%
ALASKA	0	0	0	N/A	N/A	16,721	12,440	12,075	-2.9%	-27.8%
ARIZONA	110,557	90,402	91,573	1.3%	-17.2%	182,299	218,758	213,420	-2.4%	17.1%
ARKANSAS	30,934	26,722	26,800	0.3%	-13.4%	82,311	75,845	76,805	1.3%	-6.7%
CALIFORNIA	934,456	913,369	892,064	-2.3%	-4.5%	672,687	668,919	655,797	-2.0%	-2.5%
COLORADO	56,000	55,170	56,773	2.9%	1.4%	127,744	120,363	119,196	-1.0%	-6.7%
CONNECTICUT	26,419	21,142	21,129	-0.1%	-20.0%	57,374	54,239	68,176	25.7%	18.8%
DELAWARE	8,886	7,486	7,251	-3.1%	-18.4%	27,524	26,460	28,883	9.2%	4.9%
FLORIDA	315,763	269,699	266,768	-1.1%	-15.5%	293,179	297,339	294,214	-1.1%	0.4%
GEORGIA	86,540	74,285	75,813	2.1%	-12.4%	269,808	274,165	272,663	-0.5%	1.1%
HAWAII	14,820	12,126	11,618	-4.2%	-21.6%	20,434	20,494	20,262	-1.1%	-0.8%
IDAHO	15,992	14,914	14,869	-0.3%	-7.0%	38,429	39,063	39,392	0.8%	2.5%
ILLINOIS	140,713	118,087	114,785	-2.8%	-18.4%	166,254	164,590	163,755	-0.5%	-1.5%
INDIANA	63,913	58,967	62,656	6.3%	-2.0%	182,388	176,445	175,519	-0.5%	-3.8%
IOWA	57,239	50,859	50,998	0.3%	-10.9%	72,148	64,745	64,115	-1.0%	-11.1%
KANSAS	52,895	46,029	45,763	-0.6%	-13.5%	79,358	73,949	73,161	-1.1%	-7.8%
KENTUCKY	43,446	39,127	40,552	3.6%	-6.7%	98,557	94,502	94,804	0.3%	-3.8%
LOUISIANA	43,091	37,533	40,141	6.9%	-6.8%	120,841	120,662	118,895	-1.5%	-1.6%
MAINE	9,773	8,292	9,872	19.1%	1.0%	24,174	23,819	22,421	-5.9%	-7.3%
MARYLAND	89,990	71,365	72,459	1.5%	-19.5%	139,253	145,018	143,518	-1.0%	3.1%
MASSACHUSETTS	49,799	38,394	36,983	-3.7%	-25.7%	110,528	104,003	102,099	-1.8%	-7.6%
MICHIGAN	116,340	99,394	96,575	-2.8%	-17.0%	249,978	232,673	228,130	-2.0%	-8.7%
MINNESOTA	76,219	64,710	63,999	-1.1%	-16.0%	108,148	97,835	95,024	-2.9%	-12.1%
MISSISSIPPI	58,299	51,174	50,385	-1.5%	-13.6%	71,200	67,927	66,911	-1.5%	-6.0%
MISSOURI	59,765	40,516	42,177	4.1%	-29.4%	122,734	96,437	101,224	5.0%	-17.5%
MONTANA	6,678	5,936	6,114	3.0%	-8.4%	29,697	27,749	27,696	-0.2%	-6.7%
NEBRASKA	26,142	22,531	23,131	2.7%	-11.5%	49,798	48,804	48,097	-1.4%	-3.4%
NEVADA	29,026	26,922	26,813	-0.4%	-7.6%	47,398	47,156	47,143	0.0%	-0.5%
NEW HAMPSHIRE	9,853	7,515	7,300	-2.9%	-25.9%	26,500	23,359	22,709	-2.8%	-14.3%
NEW JERSEY	99,904	82,173	83,752	1.9%	-16.2%	165,182	158,933	158,528	-0.3%	-4.0%
NEW MEXICO	37,798	29,992	30,910	3.1%	-18.2%	39,242	40,197	42,201	5.0%	7.5%
NEW YORK	210,891	155,063	152,926	-1.4%	-27.5%	327,088	300,781	292,749	-2.7%	-10.5%
NORTH CAROLINA	179,659	172,214	178,618	3.7%	-0.6%	214,263	218,686	215,156	-1.6%	0.4%
NORTH DAKOTA	7,028	6,524	6,815	4.5%	-3.0%	26,753	25,298	25,345	0.2%	-5.3%
OHIO	99,164	111,675	99,458	-10.9%	0.3%	287,287	256,842	249,596	-2.8%	-13.1%
OKLAHOMA	40,585	36,006	35,114	-2.5%	-13.5%	88,260	84,960	84,364	-0.7%	-4.4%
OREGON	60,770	46,129	45,885	-0.5%	-24.5%	83,519	76,781	77,840	1.4%	-6.8%
PENNSYLVANIA	79,979	62,651	61,589	-1.7%	-23.0%	251,685	236,196	230,070	-2.6%	-8.6%
RHODE ISLAND	9,333	7,224	7,356	1.8%	-21.2%	22,645	21,517	21,135	-1.8%	-6.7%
SOUTH CAROLINA	57,624	55,122	58,265	5.7%	1.1%	109,116	111,109	111,949	0.8%	2.6%
SOUTH DAKOTA	5,810	5,829	5,899	1.2%	1.5%	27,006	24,816	24,837	0.1%	-8.0%
TENNESSEE	72,783	62,292	60,201	-3.4%	-17.3%	111,635	110,948	115,543	4.1%	3.5%
TEXAS	477,746	419,369	430,089	2.6%	-10.0%	571,287	574,454	576,868	0.4%	1.0%
UTAH	25,832	24,470	24,566	0.4%	-4.9%	102,270	104,304	104,534	0.2%	2.2%
VERMONT	2,652	2,647	2,609	-1.4%	-1.6%	17,806	16,986	16,681	-1.8%	-6.3%
VIRGINIA	100,141	87,994	87,023	-1.1%	-13.1%	201,878	201,002	202,755	0.9%	0.4%
WASHINGTON	123,981	105,800	104,381	-1.3%	-15.8%	112,000	102,119	97,163	-4.9%	-13.2%
WEST VIRGINIA	11,076	8,718	8,807	1.0%	-20.5%	55,501	50,147	48,855	-2.6%	-12.0%
WISCONSIN	72,054	58,595	60,011	2.4%	-16.7%	137,600	136,351	135,130	-0.9%	-1.8%
WYOMING	11,214	11,241	11,303	0.6%	0.8%	10,980	9,750	9,564	-1.9%	-12.9%
U.S.	**4,378,860**	**3,877,177**	**3,866,780**	**-0.3%**	**-11.7%**	**6,593,952**	**6,418,597**	**6,378,529**	**-0.6%**	**-3.3%**
D.C.	0	0	0	N/A	N/A	3,518	2,758	2,894	4.9%	-17.7%

NOTES:

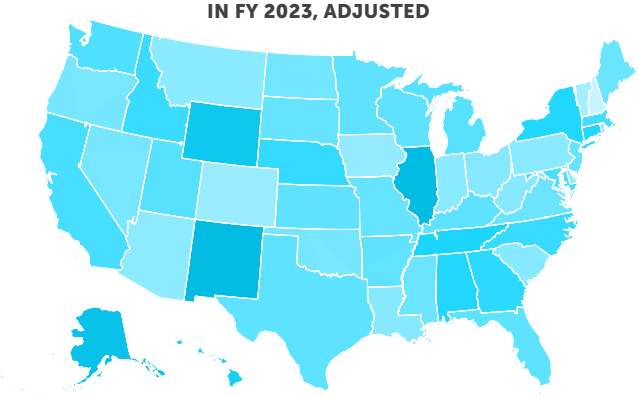
1. Full-time equivalent enrollment converts student credit hours to full-time, academic year students, but excludes medical students.
2. The U.S. calculation does not include the District of Columbia. There are no two-year public institutions in Alaska or the District of Columbia.
3. The year 2019 is included in this table because it is the starting point of the sector-level SHEF dataset.
4. Sector is determined at the institution level using the Carnegie Basic Classification (https://carnegieclassifications.acenet.edu). Baccalaureate/Associate's Colleges and "less-than-two-year" degree-granting institutions not assigned a Carnegie classification are considered two-year institutions.
5. Fiscal year 2023 sector-level FTE enrollment is estimated for Arkansas, Oklahoma, and Pennsylvania.

SOURCE: State Higher Education Executive Officers Association

EDUCATION APPROPRIATIONS

Education appropriations measure state and local support available for public higher education operating expenses and exclude appropriations for independent institutions, financial aid for students attending independent or out-of-state institutions, research, hospitals, and medical education. State-level education appropriations include state higher education agency allocations and all federal stimulus funding allocated to public institutions, while sector-level education appropriations exclude agency funding and include only the federal stimulus funding allocated to two-year or four-year public operating. In a handful of states, some uncategorizable state support and uncategorizable financial aid are not allocated to either sector. Visit the SHEF website to view the interactive education appropriations map. This map shows education appropriations per FTE across the nation and over time.

EDUCATION APPROPRIATIONS PER FTE IN FY 2023, ADJUSTED



Historically, public higher education was primarily funded by the states. For the last four decades, funding has decreased during poor economic times and increased as the economy improved. Education appropriations reached an all-time low in 2012 following the cumulative effects of the 2001 and 2008 recessions. However, during and following the 2020 recession, federal stimulus funding protected education appropriation levels in many states, reversing the trend of large cuts to education appropriations in years following economic recessions.[20]

Fiscal year 2023 marks the 11th straight year of per-FTE increases in education appropriations. Inflation-adjusted education appropriations per FTE increased 3.7% from 2022 to 2023, reaching $11,040 (*Table 3.2*). **For the second time since the Great Recession, education appropriations per FTE exceeded 2008 levels, both including and excluding federal stimulus (6.7% and 5.2% higher, respectively).** However, 2023 education appropriations per FTE remained below 2001 levels, another pre-recession high point, both when including (3.0%) and excluding (4.4%) federal stimulus.

20. Federal stimulus funds protected education appropriations in two ways: States received federal stimulus funding for other priority budget areas, reducing the need to redirect higher education funds toward those areas, and states received targeted federal stimulus funding directly to higher education.

1. STATE COMPARISONS

States vary widely in their per-student funding for higher education. Education appropriations per FTE in 2023 ranged from $3,990 in New Hampshire to $22,590 in Illinois[21] and $25,834 in Washington, D.C. (*Figure 3.2)*.

- Despite national-level increases, education appropriations per FTE declined in 20 states and Washington, D.C., from 2022 to 2023. Decreases ranged from 18.3% (or $1,530 per FTE) in Delaware to 0.3% (or $31 per FTE) in Texas.
- Education appropriations per FTE increased in 30 states from 2022 to 2023. Increases ranged from 0.4% (or $48 per FTE) in North Carolina to 53.6% (or $5,077 per FTE) in Alabama.[22]

Although nationally, education appropriations have recovered to 2008 levels, half of all states continue funding higher education at a lower level than prior to the Great Recession. Twenty-five states have not yet recovered from the 2008 Great Recession (meaning their education appropriations per FTE in 2023 remain below 2008 levels). Arizona (34.6% below), Louisiana (30.6% below), and Nevada (30.2% below) are furthest from recovery. Additionally, in 32 states, education appropriations per FTE remain below the level seen in 2001 prior to the tech bust.

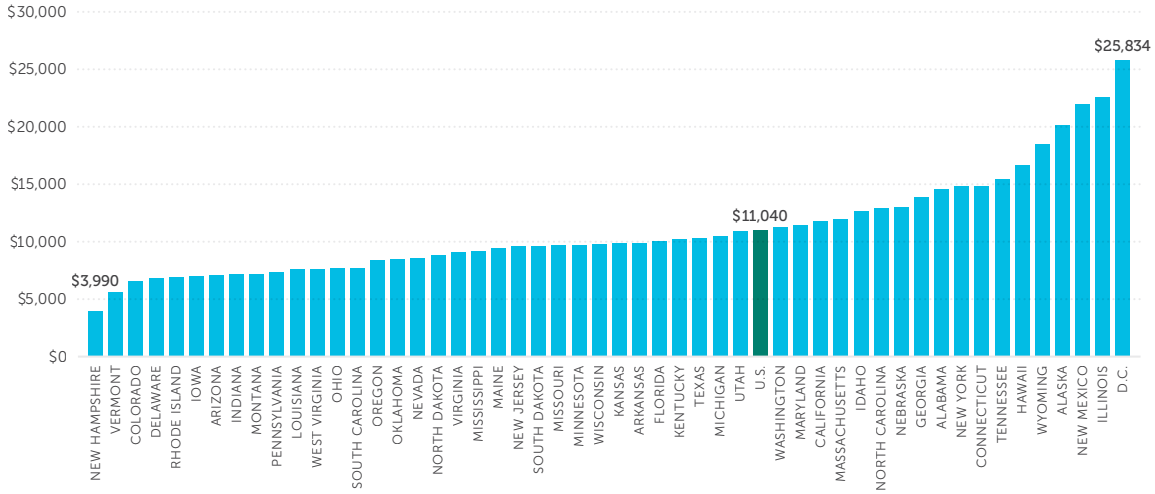
Federal stimulus funding has continued to have an impact on state funding to higher education, including the above figures. **On average, states allocated $163 per FTE in federal stimulus funding to public higher education.** In 2023, Connecticut, Georgia, Hawai`i, Idaho, New Mexico, and Vermont allocated more than $1,000 per FTE in federal stimulus funding to public higher education. After excluding federal stimulus funding from all years in which it was allocated (2009-2012 and 2020-2023):

- Education appropriations per FTE declined in 14 states and Washington, D.C., from 2022 to 2023. Decreases ranged from 17.4% (or $2,031 per FTE) in Missouri to 0.9% (or $110 per FTE) in Nebraska.
- In 2023, education appropriations per student increased in 36 states. Increases ranged from 0.02% (or $3 per FTE) in Wyoming to 53.6% (or $5,077 per FTE) in Alabama.[23]
- Although U.S. average education appropriations per FTE are higher than prior to the 2008 recession, 25 states have not yet recovered. Additionally, 32 have not yet recovered from the 2001 recession.

21. Each year, approximately one-third of education appropriations in Illinois go toward the state's retirement pension system. See the Illinois State Spotlight for more details.
22. The large increase in fiscal year 2023 education appropriations for Alabama is due to a one-time supplemental appropriation.
23. Ibid.

FIGURE 3.2

PUBLIC HIGHER EDUCATION APPROPRIATIONS PER FTE BY STATE, FY 2023 (ADJUSTED)



NOTES:

1. Education appropriations are a measure of state and local support available for public higher education operating expenses and student financial aid, excluding appropriations for research, hospitals, and medical education. Education appropriations include federal stimulus funding.
2. The U.S. calculation does not include the District of Columbia.
3. Each year, approximately one-third of education appropriations in Illinois go toward the state's retirement pension system. See the Illinois State Spotlight for more details.
4. Adjustment factors to arrive at constant dollar figures include Cost of Living Index (COLI) and Enrollment Mix Index (EMI). The COLI is not a measure of inflation over time.

SOURCE: State Higher Education Executive Officers Association

TABLE 3.2

PUBLIC HIGHER EDUCATION APPROPRIATIONS PER FTE BY STATE, FY 1980-2023 (CONSTANT ADJUSTED DOLLARS)

	1980	2001	2013	2018	2022	2023	% CHANGE SINCE 2022	% CHANGE SINCE 2018	% CHANGE SINCE 2013	% CHANGE SINCE 2001	% CHANGE SINCE 1980
ALABAMA	$8,155	$9,585	$7,353	$7,697	$9,472	$14,549	53.6%	89.0%	97.9%	51.8%	78.4%
ALASKA	$25,429	$15,688	$17,474	$17,222	$19,185	$20,160	5.1%	17.1%	15.4%	28.5%	-20.7%
ARIZONA	$8,885	$10,052	$6,938	$6,454	$6,468	$7,103	9.8%	10.1%	2.4%	-29.3%	-20.1%
ARKANSAS	$10,544	$11,258	$9,879	$9,200	$10,358	$9,859	-4.8%	7.2%	-0.2%	-12.4%	-6.5%
CALIFORNIA	$9,233	$10,123	$7,565	$9,534	$11,408	$11,801	3.4%	23.8%	56.0%	16.6%	27.8%
COLORADO	$6,183	$7,477	$3,754	$4,990	$7,057	$6,603	-6.4%	32.3%	75.9%	-11.7%	6.8%
CONNECTICUT	$9,001	$17,632	$11,285	$10,547	$15,567	$14,862	-4.5%	40.9%	31.7%	-15.7%	65.1%
DELAWARE	$9,064	$10,473	$7,033	$6,865	$8,347	$6,816	-18.3%	-0.7%	-3.1%	-34.9%	-24.8%
FLORIDA	$7,630	$11,552	$6,008	$8,802	$9,749	$10,029	2.9%	13.9%	66.9%	-13.2%	31.4%
GEORGIA	$10,602	$16,378	$9,274	$11,388	$14,359	$13,911	-3.1%	22.2%	50.0%	-15.1%	31.2%
HAWAII	$10,323	$10,323	$9,591	$13,795	$14,857	$16,672	12.2%	20.9%	73.8%	61.5%	61.5%
IDAHO	$13,766	$14,639	$8,515	$10,964	$11,119	$12,655	13.8%	15.4%	48.6%	-13.6%	-8.1%
ILLINOIS	$10,367	$15,691	$17,364	$18,343	$23,234	$22,590	-2.8%	23.2%	30.1%	44.0%	117.9%
INDIANA	$10,825	$10,727	$7,098	$7,428	$7,584	$7,201	-5.0%	-3.1%	1.4%	-32.9%	-33.5%
IOWA	$11,567	$12,649	$7,306	$6,440	$7,128	$6,981	-2.1%	8.4%	-4.5%	-44.8%	-39.7%
KANSAS	$10,814	$12,318	$7,929	$7,680	$9,272	$9,859	6.3%	28.4%	24.3%	-20.0%	-8.8%
KENTUCKY	$11,700	$14,205	$9,004	$8,801	$9,513	$10,236	7.6%	16.3%	13.7%	-27.9%	-12.5%
LOUISIANA	$10,265	$9,063	$7,007	$6,825	$7,467	$7,628	2.2%	11.8%	8.9%	-15.8%	-25.7%
MAINE	$7,204	$10,627	$7,155	$8,079	$8,663	$9,453	9.1%	17.0%	32.1%	-11.1%	31.2%
MARYLAND	$7,997	$10,725	$7,423	$8,757	$9,802	$11,452	16.8%	30.8%	54.3%	6.8%	43.2%
MASSACHUSETTS	$8,846	$11,920	$7,146	$8,832	$10,586	$11,972	13.1%	35.6%	67.6%	0.4%	35.3%
MICHIGAN	$11,347	$13,895	$7,158	$8,323	$10,592	$10,490	-1.0%	26.0%	46.5%	-24.5%	-7.6%
MINNESOTA	$11,734	$11,874	$6,652	$9,042	$10,115	$9,746	-3.6%	7.8%	46.5%	-17.9%	-16.9%
MISSISSIPPI	$9,848	$11,977	$8,192	$7,475	$7,963	$9,159	15.0%	22.5%	11.8%	-23.5%	-7.0%
MISSOURI	$11,842	$14,162	$8,045	$8,270	$11,737	$9,688	-17.5%	17.2%	20.4%	-31.6%	-18.2%
MONTANA	$8,552	$6,587	$5,676	$6,450	$7,105	$7,213	1.5%	11.8%	27.1%	9.5%	-15.7%
NEBRASKA	$9,836	$9,781	$10,133	$11,429	$12,845	$13,046	1.6%	14.1%	28.7%	33.4%	32.6%
NEVADA	$10,102	$10,578	$8,772	$8,870	$8,705	$8,590	-1.3%	-3.2%	-2.1%	-18.8%	-15.0%
NEW HAMPSHIRE	$5,229	$5,780	$2,066	$3,118	$4,031	$3,990	-1.0%	27.9%	93.1%	-31.0%	-23.7%
NEW JERSEY	$8,858	$11,950	$8,421	$8,031	$9,286	$9,635	3.8%	20.0%	14.4%	-19.4%	8.8%
NEW MEXICO	$12,018	$12,180	$11,249	$13,371	$18,556	$21,953	18.3%	64.2%	95.1%	80.2%	82.7%
NEW YORK	$12,220	$11,527	$10,906	$12,985	$13,908	$14,816	6.5%	14.1%	35.8%	28.5%	21.2%
NORTH CAROLINA	$11,502	$14,858	$11,611	$12,004	$12,913	$12,961	0.4%	8.0%	11.6%	-12.8%	12.7%
NORTH DAKOTA	$9,215	$7,819	$9,047	$8,930	$9,298	$8,813	-5.2%	-1.3%	-2.6%	12.7%	-4.4%
OHIO	$9,290	$11,143	$6,310	$7,601	$7,526	$7,669	1.9%	0.9%	21.5%	-31.2%	-17.4%
OKLAHOMA	$9,584	$11,699	$9,123	$8,025	$8,149	$8,500	4.3%	5.9%	-6.8%	-27.3%	-11.3%
OREGON	$8,098	$8,756	$4,800	$6,046	$8,572	$8,412	-1.9%	39.1%	75.3%	-3.9%	3.9%
PENNSYLVANIA	$11,040	$11,034	$5,179	$5,324	$6,454	$7,327	13.5%	37.6%	41.5%	-33.6%	-33.6%
RHODE ISLAND	$11,329	$9,802	$5,258	$6,152	$6,950	$6,900	-0.7%	12.2%	31.2%	-29.6%	-39.1%
SOUTH CAROLINA	$10,843	$9,290	$5,887	$7,056	$7,570	$7,728	2.1%	9.5%	31.3%	-16.8%	-28.7%
SOUTH DAKOTA	$10,376	$8,576	$6,807	$7,364	$8,261	$9,644	16.7%	31.0%	41.7%	12.5%	-7.1%
TENNESSEE	$10,034	$10,501	$8,770	$11,063	$12,635	$15,422	22.1%	39.4%	75.8%	46.9%	53.7%
TEXAS	$9,344	$10,841	$8,761	$9,145	$10,366	$10,335	-0.3%	13.0%	18.0%	-4.7%	10.6%
UTAH	$11,066	$9,588	$6,999	$8,857	$10,052	$10,956	9.0%	23.7%	56.5%	14.3%	-1.0%
VERMONT	$5,047	$4,600	$3,485	$3,241	$6,696	$5,649	-15.6%	74.3%	62.1%	22.8%	11.9%
VIRGINIA	$8,614	$10,708	$5,964	$6,778	$8,749	$9,112	4.1%	34.4%	52.8%	-14.9%	5.8%
WASHINGTON	$9,775	$9,392	$6,246	$8,168	$10,447	$11,233	7.5%	37.5%	79.9%	19.6%	14.9%
WEST VIRGINIA	$9,047	$8,649	$7,124	$5,894	$7,922	$7,654	-3.4%	29.9%	7.4%	-11.5%	-15.4%
WISCONSIN	$11,635	$12,997	$9,245	$9,091	$10,075	$9,814	-2.6%	8.0%	6.1%	-24.5%	-15.7%
WYOMING	$16,955	$13,831	$19,705	$19,466	$18,032	$18,531	2.8%	-4.8%	-6.0%	34.0%	9.3%
U.S.	**$9,949**	**$11,381**	**$8,079**	**$9,162**	**$10,651**	**$11,040**	**3.7%**	**20.5%**	**36.6%**	**-3.0%**	**11.0%**
D.C.	N/A	N/A	$19,006	$18,989	$28,190	$25,834	-8.4%	36.0%	35.9%	N/A	N/A

NOTES:

1. Education appropriations are a measure of state and local support available for public higher education operating expenses and student financial aid, excluding appropriations for research, hospitals, and medical education. Education appropriations include federal stimulus funding.
2. The U.S. calculation does not include the District of Columbia. Data for the District of Columbia are not available prior to 2011.
3. The years 1980 and 2001 are included in this table because they are the starting points of the historical SHEF dataset and modern SHEF data collection, respectively.
4. The large increase in fiscal year 2023 education appropriations for Alabama is due to a one-time supplemental appropriation.
5. Fiscal year 2023 education appropriations include estimated federal stimulus for Kentucky.
6. Each year, approximately one-third of education appropriations in Illinois go toward the state's retirement pension system. See the Illinois State Spotlight for more details.
7. Texas developed a new methodology to capture state funding to institutions of higher education and updated FTE enrollment starting in 2017. Years prior to 2017 do not reflect this new methodology, which may affect some year-to-year comparisons.
8. Adjustment factors to arrive at constant dollar figures include Cost of Living Index (COLI), Enrollment Mix Index (EMI), and Higher Education Cost Adjustment (HECA). The COLI is not a measure of inflation over time.

SOURCE: State Higher Education Executive Officers Association

2. SECTOR COMPARISONS

Table 3.2A presents data on education appropriations per FTE for the public two-year and four-year sectors separately. Two- and four-year institutions have different funding structures and allocation models in many states and vary in the amount of funding they receive from state and local sources.[24]

From 2022 to 2023, inflation-adjusted state and local education appropriations increased 1.6% at two-year institutions, reaching $10,488 per FTE. Two-year public education appropriations per FTE ranged widely across states, from $4,910 in Louisiana to $20,295 per FTE in Alabama.[25] From 2022 to 2023, two-year education appropriations per FTE declined in 23 states. Decreases ranged from 14.9% (or $901 per FTE) in Vermont to 0.8% ($89 per FTE) in Oregon. Twenty-six states had increases in two-year education appropriations per FTE in 2023. These year-over-year increases ranged from 0.1% (or $16 per FTE) in Delaware to 86.4% (or $9,410 per FTE) in Alabama.[26]

At four-year institutions, education appropriations per FTE increased 4.2% from 2022 to 2023, reaching $10,238. Appropriations ranged even more widely in the four-year sector, from less than $5,000 per student in Arizona and New Hampshire to over $20,000 per student in Illinois, New Mexico, Washington, D.C., and Wyoming. Increases ranged from 0.2% (or $26 per FTE) in Nebraska to 38.5% (or $3,447 per FTE) in Alabama. From 2022 to 2023, four-year education appropriations per FTE declined in 20 states and Washington, D.C. Decreases ranged from 0.06% (or $4 per FTE) in Ohio to 24.6% (or $1,884 per FTE) in Delaware.

Sector-level education appropriations in 2023 included $75 per FTE in federal stimulus for two-year institutions and $125 per FTE in federal stimulus for four-year institutions. **Excluding federal stimulus funding, education appropriations to two- and four-year institutions increased 1.4% and 4.8%, respectively, from 2022 to 2023.**

- Without federal stimulus funding, two-year education appropriations declined in 20 states. Declines ranged from 0.9% in New Jersey to 14.8% in New Mexico.
- Two-year education appropriations per FTE excluding federal stimulus funding increased in 29 states with the smallest increase having been 0.06% in Oregon and the largest having been 86.4% in Alabama.
- Sixteen states and Washington, D.C., had declines in four-year education appropriations when excluding federal stimulus funding. Decreases ranged from 0.4% in West Virginia to 22.3% in Connecticut.
- Of the 34 states that saw increases in four-year education appropriations excluding federal stimulus funding, the increases ranged from 0.2% in Nebraska to 38.5% in Alabama.

24. Unlike state-level education appropriations, sector-level education appropriations exclude agency funding and include only the portion of federal stimulus funding known to be allocated for two-year or four-year public operating purposes. In a handful of states, some state support and financial aid are uncategorizable, meaning they are not allocated to either sector, and are excluded from the sector-level data.
25. The large increase in fiscal year 2023 education appropriations for Alabama is, at least, in part due to a one-time supplemental appropriation.
26. Ibid.

Figure 3.2A displays the disparity in funding between the two- and four-year public sectors within each state. States on the left side of the figure (the **light blue** bars) have relatively higher per-FTE appropriations in the two-year sector, while states on the right side of the figure (the **dark blue** bars) have higher per-FTE appropriations in the four-year sector.

- In 2023, two-year education appropriations per FTE were 2.4% higher than four-year education appropriations, with 26 states reporting higher funding in the two-year sector. If research, agriculture, and medical (RAM) appropriations were included in the education appropriations total, four-year institutions would receive $1,822 more than two-year institutions per FTE, or 17.4% higher.
- Arizona had the largest education appropriation disparity favoring the two-year sector (92.6% higher), although this is entirely due to local appropriations that exclusively support community colleges. Florida has the highest disparity favoring the four-year sector, with 72.1% greater education appropriations per FTE at four-year institutions.

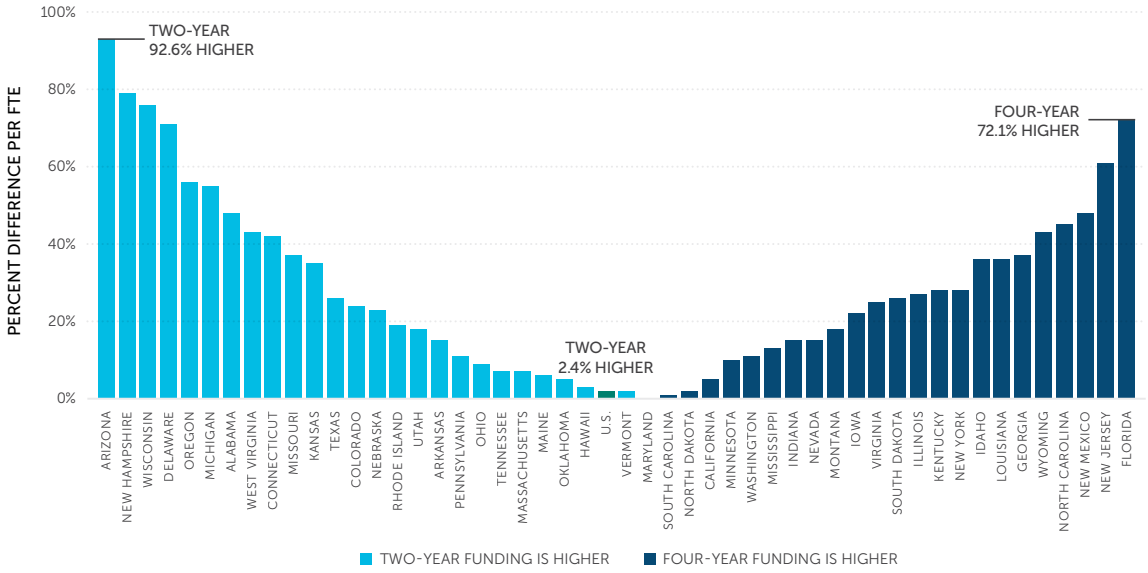
These high-level data on education appropriations should be interpreted cautiously and with consideration of each state's broader context. This is because education appropriations attempt to make higher education funding more comparable across states by including local appropriations (which primarily support two-year institutions) but excluding research, agriculture, and medical appropriations, which only support four-year institutions.

To help explain the components of sector-level education appropriations, *Table 3.2B* breaks out the different sources of state and local support per FTE for two- and four-year public institutions in fiscal year 2023.

- Two-year public institutions received $6,325 per FTE in state general operating appropriations, 71.6% of the four-year general operating appropriation ($8,834).
- State financial aid awards averaged $656 at two-year institutions, 52.1% of the $1,259 awarded to students attending four-year institutions.
- Local appropriations were 167.0 times higher at two-year institutions ($3,432) compared to four-year institutions ($21 per FTE). There were two-year local appropriations in 29 states, compared to only seven for four-year institutions.
- RAM averaged $2,072 at four-year institutions. These funds, which are only allocated to four-year institutions, are excluded from education appropriations but included in total state support.
- Total state and local support at two-year institutions was $10,488, 85.2% of the amount at four-year institutions ($12,314).

FIGURE 3.2A

PERCENT DIFFERENCE IN TWO-YEAR AND FOUR-YEAR PUBLIC HIGHER EDUCATION APPROPRIATIONS PER FTE BY STATE, FY 2023



NOTES:

1. Education appropriations are a measure of state and local support available for public higher education operating expenses and student financial aid, excluding appropriations for research, hospitals, and medical education. Sector-level education appropriations include any portion of federal stimulus funding allocated specifically to each sector, but exclude state agency funding.
2. Alaska and the District of Columbia are excluded from this figure because they do not have any public two-year institutions.
3. Sector is determined at the institution level using the Carnegie Basic Classification (carnegieclassifications.acenet.edu). Baccalaureate/Associate's Colleges and "less-than-two-year" degree-granting institutions not assigned a Carnegie classification are considered two-year institutions.
4. Fiscal year 2023 sector-level education appropriations include estimated federal stimulus for Kentucky.
5. In California, state funds for nontuition financial aid are classified as uncategorizable state support. Therefore, they are not included in sector-level education appropriations. See the California State Spotlight for more details.
6. Each year, approximately one-third of education appropriations in Illinois go toward the state's retirement pension system. See the Illinois State Spotlight for more details.

SOURCE: State Higher Education Executive Officers Association

Visit **shef.sheeo.org** and select your state under "State Profiles" to learn more.

TABLE 3.2A

PUBLIC HIGHER EDUCATION APPROPRIATIONS PER FTE BY SECTOR AND STATE, FY 2019-2023 (CONSTANT ADJUSTED DOLLARS)

	TWO-YEAR EDUCATION APPROPRIATIONS						FOUR-YEAR EDUCATION APPROPRIATIONS					
	2019	2022	2023	INDEX TO U.S.	% CHANGE SINCE 2022	% CHANGE SINCE 2019	2019	2022	2023	INDEX TO U.S.	% CHANGE SINCE 2022	% CHANGE SINCE 2019
ALABAMA	$8,266	$10,885	$20,295	1.93	86.4%	145.5%	$7,950	$8,948	$12,395	1.21	38.5%	55.9%
ALASKA	$-	$-	$-	N/A	N/A	N/A	$17,578	$18,646	$19,589	1.91	5.1%	11.4%
ARIZONA	$10,893	$13,324	$12,941	1.23	-2.9%	18.8%	$4,062	$3,771	$4,751	0.46	26.0%	17.0%
ARKANSAS	$9,162	$10,266	$10,056	0.96	-2.0%	9.8%	$8,974	$9,915	$8,677	0.85	-12.5%	-3.3%
CALIFORNIA	$9,574	$10,599	$10,293	0.98	-2.9%	7.5%	$9,367	$10,100	$10,818	1.06	7.1%	15.5%
COLORADO	$6,822	$8,366	$7,644	0.73	-8.6%	12.1%	$4,687	$5,515	$5,997	0.59	8.7%	28.0%
CONNECTICUT	$9,970	$14,971	$18,330	1.75	22.4%	83.8%	$10,989	$13,882	$12,034	1.18	-13.3%	9.5%
DELAWARE	$10,140	$12,179	$12,196	1.16	0.1%	20.3%	$6,278	$7,670	$5,787	0.57	-24.6%	-7.8%
FLORIDA	$5,402	$6,162	$6,414	0.61	4.1%	18.7%	$13,402	$13,261	$13,650	1.33	2.9%	1.9%
GEORGIA	$7,869	$9,800	$9,723	0.93	-0.8%	23.6%	$11,607	$14,622	$14,095	1.38	-3.6%	21.4%
HAWAII	$11,846	$13,533	$15,404	1.47	13.8%	30.0%	$14,887	$13,112	$14,907	1.46	13.7%	0.1%
IDAHO	$6,229	$6,802	$7,128	0.68	4.8%	14.4%	$10,378	$9,908	$10,250	1.00	3.4%	-1.2%
ILLINOIS	$13,920	$17,598	$18,474	1.76	5.0%	32.7%	$22,124	$24,449	$24,200	2.36	-1.0%	9.4%
INDIANA	$6,554	$6,711	$6,093	0.58	-9.2%	-7.0%	$7,903	$7,382	$7,043	0.69	-4.6%	-10.9%
IOWA	$5,297	$6,383	$6,215	0.59	-2.6%	17.3%	$7,629	$7,867	$7,721	0.75	-1.9%	1.2%
KANSAS	$9,925	$11,838	$12,011	1.15	1.5%	21.0%	$6,879	$7,606	$8,442	0.82	11.0%	22.7%
KENTUCKY	$6,964	$7,533	$7,914	0.75	5.1%	13.6%	$9,081	$10,085	$10,432	1.02	3.4%	14.9%
LOUISIANA	$4,162	$4,992	$4,910	0.47	-1.7%	18.0%	$7,206	$7,368	$7,086	0.69	-3.8%	-1.7%
MAINE	$8,320	$9,593	$10,109	0.96	5.4%	21.5%	$8,200	$8,645	$9,496	0.93	9.8%	15.8%
MARYLAND	$8,597	$10,892	$11,238	1.07	3.2%	30.7%	$9,058	$9,093	$11,229	1.10	23.5%	24.0%
MASSACHUSETTS	$7,498	$10,181	$12,312	1.17	20.9%	64.2%	$9,372	$10,450	$11,539	1.13	10.4%	23.1%
MICHIGAN	$11,053	$13,807	$14,722	1.40	6.6%	33.2%	$7,356	$9,349	$8,392	0.82	-10.2%	14.1%
MINNESOTA	$7,495	$8,896	$8,663	0.83	-2.6%	15.6%	$9,015	$9,682	$9,608	0.94	-0.8%	6.6%
MISSISSIPPI	$7,056	$7,878	$8,342	0.80	5.9%	18.2%	$7,498	$7,817	$9,529	0.93	21.9%	27.1%
MISSOURI	$7,636	$13,375	$12,159	1.16	-9.1%	59.2%	$8,387	$10,771	$8,398	0.82	-22.0%	0.1%
MONTANA	$6,196	$6,920	$6,446	0.61	-6.8%	4.0%	$7,028	$7,485	$7,712	0.75	3.0%	9.7%
NEBRASKA	$12,836	$15,585	$14,555	1.39	-6.6%	13.4%	$10,826	$11,575	$11,601	1.13	0.2%	7.2%
NEVADA	$6,838	$7,021	$7,788	0.74	10.9%	13.9%	$10,068	$9,688	$9,059	0.88	-6.5%	-10.0%
NEW HAMPSHIRE	$5,167	$7,215	$7,247	0.69	0.4%	40.3%	$2,609	$3,201	$3,134	0.31	-2.1%	20.1%
NEW JERSEY	$4,642	$5,535	$5,488	0.52	-0.9%	18.2%	$8,563	$9,680	$10,279	1.00	6.2%	20.0%
NEW MEXICO	$11,578	$17,390	$14,811	1.41	-14.8%	27.9%	$17,949	$18,915	$24,222	2.37	28.1%	34.9%
NEW YORK	$10,050	$11,742	$11,999	1.14	2.2%	19.4%	$15,087	$14,610	$15,835	1.55	8.4%	5.0%
NORTH CAROLINA	$9,199	$10,001	$9,524	0.91	-4.8%	3.5%	$14,149	$14,288	$15,028	1.47	5.2%	6.2%
NORTH DAKOTA	$8,108	$8,755	$8,080	0.77	-7.7%	-0.4%	$8,358	$8,583	$8,205	0.80	-4.4%	-1.8%
OHIO	$8,766	$7,481	$8,119	0.77	8.5%	-7.4%	$6,914	$7,410	$7,406	0.72	-0.1%	7.1%
OKLAHOMA	$6,743	$7,493	$8,193	0.78	9.3%	21.5%	$7,763	$7,605	$7,812	0.76	2.7%	0.6%
OREGON	$8,022	$11,489	$11,400	1.09	-0.8%	42.1%	$5,162	$6,605	$6,451	0.63	-2.3%	25.0%
PENNSYLVANIA	$6,144	$7,605	$7,797	0.74	2.5%	26.9%	$5,641	$5,895	$7,020	0.69	19.1%	24.4%
RHODE ISLAND	$6,036	$7,893	$7,575	0.72	-4.0%	25.5%	$5,583	$6,235	$6,264	0.61	0.5%	12.2%
SOUTH CAROLINA	$7,800	$7,614	$7,538	0.72	-1.0%	-3.4%	$6,410	$7,204	$7,619	0.74	5.8%	18.9%
SOUTH DAKOTA	$5,479	$5,471	$6,013	0.57	9.9%	9.7%	$6,812	$7,338	$7,811	0.76	6.4%	14.7%
TENNESSEE	$10,128	$10,813	$14,437	1.38	33.5%	42.5%	$11,640	$12,246	$13,511	1.32	10.3%	16.1%
TEXAS	$7,559	$8,975	$9,086	0.87	1.2%	20.2%	$7,403	$7,385	$7,005	0.68	-5.1%	-5.4%
UTAH	$10,461	$11,450	$12,622	1.20	10.2%	20.7%	$9,010	$9,599	$10,502	1.03	9.4%	16.6%
VERMONT	$3,014	$6,032	$5,131	0.49	-14.9%	70.3%	$3,116	$5,345	$5,036	0.49	-5.8%	61.6%
VIRGINIA	$5,510	$6,856	$7,298	0.70	6.4%	32.4%	$7,311	$8,592	$9,354	0.91	8.9%	28.0%
WASHINGTON	$7,428	$9,546	$10,297	0.98	7.9%	38.6%	$9,283	$10,879	$11,498	1.12	5.7%	23.9%
WEST VIRGINIA	$7,870	$10,721	$10,357	0.99	-3.4%	31.6%	$5,864	$6,708	$6,679	0.65	-0.4%	13.9%
WISCONSIN	$13,410	$15,410	$14,862	1.42	-3.6%	10.8%	$6,247	$6,877	$6,693	0.65	-2.7%	7.1%
WYOMING	$18,842	$14,750	$13,907	1.33	-5.7%	-26.2%	$21,094	$19,769	$21,526	2.10	8.9%	2.0%
U.S.	**$8,825**	**$10,322**	**$10,488**	**1.00**	**1.6%**	**18.9%**	**$9,168**	**$9,826**	**$10,238**	**1.00**	**4.2%**	**11.7%**
D.C.	$-	$-	$-	N/A	N/A	N/A	$20,229	$26,995	$24,975	2.44	-7.5%	23.5%

NOTES:

1. Education appropriations are a measure of state and local support available for public higher education operating expenses and student financial aid, excluding appropriations for research, hospitals, and medical education. Sector-level education appropriations include any portion of federal stimulus funding allocated specifically to each sector but exclude state agency funding.
2. The U.S. calculation does not include the District of Columbia. There are no two-year public institutions in Alaska or the District of Columbia.
3. The year 2019 is included in this table because it is the starting point of the sector-level SHEF dataset.
4. Sector is determined at the institution level using the Carnegie Basic Classification (carnegieclassifications.acenet.edu). Baccalaureate/Associate's Colleges and "less-than-two-year" degree-granting institutions not assigned a Carnegie classification are considered two-year institutions.
5. The large increase in fiscal year 2023 education appropriations for Alabama is due to a one-time supplemental appropriation.
6. Fiscal year 2023 education appropriations include estimated federal stimulus for Kentucky.
7. Each year, approximately one-third of education appropriations in Illinois go toward the state's retirement pension system. See the Illinois State Spotlight for more details.
8. Adjustment factors to arrive at constant dollar figures include Cost of Living Index (COLI) and Higher Education Cost Adjustment (HECA). The COLI is not a measure of inflation over time. The Enrollment Mix Index (EMI) is not applied to sector-level data.

SOURCE: State Higher Education Executive Officers Association

TABLE 3.2B

COMPONENTS OF PUBLIC HIGHER EDUCATION APPROPRIATIONS PER FTE BY SECTOR AND STATE, FY 2023 (ADJUSTED)

	TWO-YEAR PUBLIC INSTITUTIONS					FOUR-YEAR PUBLIC INSTITUTIONS					
	STATE OPERATING	STATE FINANCIAL AID	LOCAL	EDUC. APPROPS.	STATE AND LOCAL	STATE OPERATING	STATE FINANCIAL AID	LOCAL	EDUC. APPROPS.	RAM	STATE AND LOCAL
ALABAMA	$20,123	$125	$47	$20,295	$20,295	$12,079	$316	$-	$12,395	$3,260	$15,678
ALASKA	$-	$-	$-	$-	$-	$18,755	$775	$59	$19,589	$1,474	$21,063
ARIZONA	$1,667	$7	$11,267	$12,941	$12,941	$4,480	$270	$-	$4,751	$1,303	$6,053
ARKANSAS	$7,918	$439	$1,699	$10,056	$10,056	$7,413	$1,264	$-	$8,677	$3,446	$12,134
CALIFORNIA	$6,389	$566	$3,339	$10,293	$10,293	$9,176	$1,642	$-	$10,818	$1,690	$12,508
COLORADO	$4,517	$1,157	$1,970	$7,644	$7,644	$4,818	$1,179	$-	$5,997	$1,426	$7,423
CONNECTICUT	$14,197	$689	$-	$18,330	$18,330	$10,234	$192	$-	$12,034	$4,284	$16,318
DELAWARE	$12,077	$118	$-	$12,196	$12,196	$5,183	$603	$-	$5,787	$338	$6,124
FLORIDA	$5,667	$566	$181	$6,414	$6,414	$11,119	$2,531	$-	$13,650	$1,804	$15,454
GEORGIA	$8,227	$940	$-	$9,723	$9,723	$10,021	$3,020	$-	$14,095	$2,216	$16,311
HAWAII	$13,800	$250	$-	$15,404	$15,404	$13,660	$94	$-	$14,907	$4,703	$19,610
IDAHO	$4,090	$189	$2,845	$7,128	$7,128	$9,788	$427	$-	$10,250	$1,758	$12,008
ILLINOIS	$8,988	$623	$8,738	$18,474	$18,474	$22,349	$1,824	$-	$24,200	$1,245	$25,445
INDIANA	$5,431	$663	$-	$6,093	$6,093	$5,788	$1,255	$-	$7,043	$1,760	$8,802
IOWA	$4,729	$607	$879	$6,215	$6,215	$7,586	$134	$-	$7,721	$2,066	$9,816
KANSAS	$4,794	$255	$6,962	$12,011	$12,011	$7,542	$469	$431	$8,442	$3,183	$11,712
KENTUCKY	$5,635	$2,222	$-	$7,914	$7,914	$7,816	$2,172	$422	$10,432	$2,196	$12,628
LOUISIANA	$4,293	$616	$-	$4,910	$4,910	$4,416	$2,670	$-	$7,086	$3,129	$10,259
MAINE	$7,402	$2,064	$-	$10,109	$10,109	$8,543	$714	$-	$9,496	$1,644	$11,140
MARYLAND	$5,549	$119	$5,570	$11,238	$11,238	$10,682	$546	$-	$11,229	$2,176	$13,404
MASSACHUSETTS	$11,459	$853	$-	$12,312	$12,312	$10,830	$709	$-	$11,539	$539	$12,078
MICHIGAN	$5,406	$669	$7,852	$14,722	$14,722	$8,369	$23	$-	$8,392	$910	$9,302
MINNESOTA	$8,047	$615	$-	$8,663	$8,663	$8,499	$1,109	$-	$9,608	$2,247	$11,855
MISSISSIPPI	$6,610	$167	$1,565	$8,342	$8,342	$8,847	$682	$-	$9,529	$5,547	$15,077
MISSOURI	$5,430	$1,871	$4,794	$12,159	$12,159	$7,560	$818	$-	$8,398	$2,381	$10,778
MONTANA	$4,737	$36	$1,673	$6,446	$6,446	$7,662	$49	$-	$7,712	$1,607	$9,319
NEBRASKA	$5,009	$262	$9,284	$14,555	$14,555	$11,234	$364	$-	$11,601	$4,786	$16,387
NEVADA	$6,856	$530	$-	$7,788	$7,788	$6,579	$1,802	$11	$9,059	$1,927	$10,986
NEW HAMPSHIRE	$6,747	$501	$-	$7,247	$7,247	$2,883	$142	$-	$3,134	$545	$3,679
NEW JERSEY	$2,148	$870	$2,470	$5,488	$5,488	$8,517	$1,762	$-	$10,279	$1,688	$11,967
NEW MEXICO	$7,801	$951	$6,059	$14,811	$14,811	$19,052	$5,171	$-	$24,222	$4,141	$28,400
NEW YORK	$4,346	$742	$6,911	$11,999	$11,999	$14,203	$1,460	$172	$15,835	$1,019	$16,854
NORTH CAROLINA	$7,246	$97	$1,974	$9,524	$9,524	$14,095	$933	$-	$15,028	$3,060	$18,088
NORTH DAKOTA	$7,443	$637	$-	$8,080	$8,080	$7,661	$543	$-	$8,205	$3,574	$11,779
OHIO	$5,514	$66	$2,539	$8,119	$8,119	$6,931	$474	$-	$7,406	$1,123	$8,529
OKLAHOMA	$5,402	$909	$1,883	$8,193	$8,193	$6,789	$1,023	$-	$7,812	$1,885	$9,697
OREGON	$5,979	$1,127	$4,294	$11,400	$11,400	$5,711	$740	$-	$6,451	$1,615	$8,065
PENNSYLVANIA	$4,817	$419	$2,561	$7,797	$7,797	$5,488	$832	$-	$7,020	$404	$7,424
RHODE ISLAND	$6,265	$1,110	$-	$7,575	$7,575	$6,076	$188	$-	$6,264	$-	$6,264
SOUTH CAROLINA	$3,798	$2,068	$1,672	$7,538	$7,538	$5,214	$2,400	$5	$7,619	$2,118	$9,742
SOUTH DAKOTA	$5,974	$38	$-	$6,013	$6,013	$7,561	$250	$-	$7,811	$2,121	$9,932
TENNESSEE	$9,690	$4,747	$-	$14,437	$14,437	$10,715	$2,796	$-	$13,511	$4,033	$17,545
TEXAS	$2,574	$123	$6,370	$9,086	$9,086	$5,937	$827	$-	$7,005	$4,464	$11,469
UTAH	$12,431	$190	$-	$12,622	$12,622	$10,167	$335	$-	$10,502	$1,204	$11,707
VERMONT	$3,567	$1,530	$-	$5,131	$5,131	$3,821	$379	$-	$5,036	$1,069	$6,138
VIRGINIA	$5,960	$1,277	$61	$7,298	$7,298	$7,887	$1,405	$62	$9,354	$1,564	$10,946
WASHINGTON	$9,186	$1,110	$-	$10,297	$10,297	$9,017	$2,481	$-	$11,498	$1,171	$12,669
WEST VIRGINIA	$8,459	$1,898	$-	$10,357	$10,357	$5,181	$1,498	$-	$6,679	$3,040	$9,719
WISCONSIN	$9,735	$504	$4,623	$14,862	$14,862	$5,822	$664	$-	$6,693	$1,568	$8,261
WYOMING	$9,841	$20	$4,046	$13,907	$13,907	$17,770	$2,811	$-	$21,526	$4,259	$25,784
U.S.	**$6,325**	**$656**	**$3,432**	**$10,488**	**$10,488**	**$8,834**	**$1,259**	**$21**	**$10,238**	**$2,072**	**$12,314**
D.C.	$-	$-	$-	$-	$-	$23,561	$809	$-	$24,975	$6,472	$31,447

NOTES:

1. State public operating appropriations are a measure of state support directly allocated to public two- and four-year institutions. State public operating excludes local appropriations, agency funding, RAM, and student financial aid.
2. State public financial aid is any state appropriated student financial aid for public institutions, excluding loans and aid for students attending medical schools. For some states, it includes aid for both tuition costs and living expenses.
3. Local appropriations are any local government taxes allocated directly to institutions for operating expenses.
4. Education appropriations are a measure of state and local support available for public higher education operating expenses and student financial aid, excluding appropriations for research, hospitals, and medical education. Sector-level education appropriations include any portion of federal stimulus funding allocated specifically to each sector but exclude state agency funding.
5. RAM refers to the total appropriations intended for the direct operations of research, agriculture, public health care services, and medical schools.
6. Total state and local support is the sum of federal stimulus funds, state and local tax appropriations, non-tax support, non-appropriated support, state-funded endowment earnings, and other state funds, net of any funds not available for use. RAM is included in four-year state and local support. Sector-level state and local support includes any portion of federal stimulus funding allocated specifically to each sector.
7. The U.S. calculation does not include the District of Columbia. There are no two-year public institutions in Alaska or the District of Columbia.
8. Sector is determined at the institution level using the Carnegie Basic Classification (carnegieclassifications.acenet.edu). Baccalaureate/Associate's Colleges and "less-than-two-year" degree-granting institutions not assigned a Carnegie classification are considered two-year institutions.
9. Fiscal year 2023 two- and four-year state public financial aid is estimated for Pennsylvania.
10. Each year, approximately one-third of education appropriations in Illinois go toward the state's retirement pension system. See the Illinois State Spotlight for more details.
11. Adjustment factors to arrive at constant dollar figures include Cost of Living Index (COLI) and Higher Education Cost Adjustment (HECA). The COLI is not a measure of inflation over time. The Enrollment Mix Index (EMI) is not applied to sector-level data.

SOURCE: State Higher Education Executive Officers Association

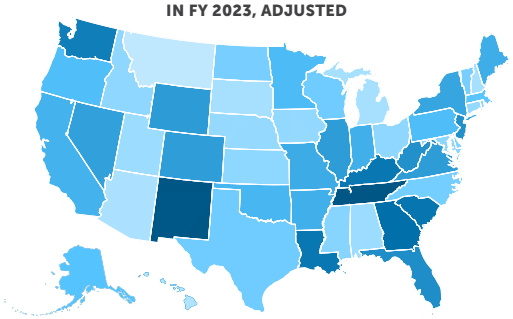
STATE PUBLIC FINANCIAL AID

State public financial aid is the part of education appropriations allocated to financial aid for students attending public institutions, excluding loans. While we present financial aid on a per-FTE basis along with all other metrics in the SHEF report, it is important to note that financial aid is not awarded to all students, and changes in aid per FTE could be due to rising award amounts or an increase in the number of students receiving an award.

Financial aid has increased steadily despite economic recessions that negatively impacted the rest of education appropriations. The SHEF data collection on financial aid goes back to 2001. From that year forward, financial aid per FTE has increased in all but two years. Visit the SHEF website to view the interactive financial aid map. This map shows state public financial aid per FTE across the nation.

State public financial aid per FTE increased 2.5% from 2022 to 2023 and reached an all-time high of $1,050 per FTE enrolled student. Because financial aid per FTE has a low base, percentage increases represent smaller dollar-amount increases than similar figures in the other revenue metrics. The 2.5% increase in the last year corresponded to an additional $26 per FTE in financial aid.

STATE PUBLIC FINANCIAL AID PER FTE IN FY 2023, ADJUSTED



1. STATE COMPARISONS

States vary considerably in the size and extent of their financial aid programs (*Figure 3.3)*. In 2023, all states and Washington, D.C., had at least one public financial aid program. Public state financial aid ranged from $44 per FTE in Montana to over $3,000 per FTE in New Mexico ($3,444 per FTE) and Tennessee ($3,478 per FTE).

Since 2001, per-student aid has increased in 44 states. Despite the longstanding increases in financial aid nationally, per-student aid has decreased in 23 states and Washington, D.C., from 2022 to 2023 (*Table 3.3)*. The largest percentage decrease was in Michigan (30.7%), with a decrease of $95 per FTE.[27] The smallest decrease in financial aid was in Rhode Island (0.04%) with a decrease of less than 20 cents per FTE.

Financial aid per FTE increased in 27 states from 2022 to 2023. Of these states, increases ranged from 1.8% (or $7 per FTE) in Kansas to 103.5% (or $1,752 per FTE) in New Mexico.[28]

27. In fiscal year 2023, Michigan created the Michigan Achievement Scholarship and deposited $250 million into the Post-Secondary Scholarship Fund to implement the new scholarship and start awarding students in fiscal year 2024.

28. In fiscal year 2023, New Mexico invested $146 million dollars to fund the New Mexico Opportunity Scholarship. See the New Mexico state spotlight for more information.

STATE SPOTLIGHT: NEW MEXICO



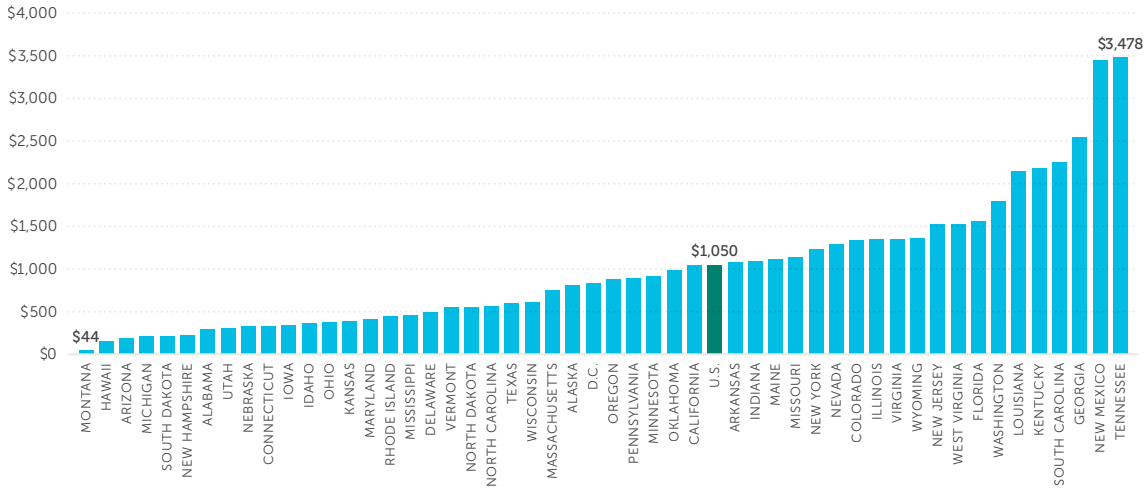
STATE PUBLIC FINANCIAL AID PER FTE

In 2020, New Mexico established the New Mexico Opportunity Scholarship. Following the enactment of the Opportunity Scholarship Act in 2022, New Mexico saw a 103.5% increase in public financial aid from fiscal years 2022 to 2023. More specifically, two-year public financial aid increased 63.8% and four-year public financial increased 109.2%.

The New Mexico Opportunity Scholarship differs from many other tuition-free college programs in multiple ways, most notably in that the New Mexico Opportunity Scholarship employs a first-dollar approach. This means the scholarship is applied before other types of non-state aid including federal Pell Grants. Additionally, the program is open to all students, who don't already have a bachelor's degree, attending any two-year or four-year public institution, whether they enroll full-time or part-time. While many other states with tuition-free college programs are limited to recent high school graduates, or designated as a program that reconnects adults who started, but did not complete a postsecondary program, the New Mexico Opportunity Scholarship is open to all New Mexico residents regardless of age. Though half of all states continued to see enrollment declines from 2022 to 2023, FTE enrollment in New Mexico increased by 4.2%. This deviation from national trends may be, at least in part, due to the state's additional $146 million investment in the Opportunity Scholarship.

FIGURE 3.3

PUBLIC HIGHER EDUCATION STATE FINANCIAL AID PER FTE BY STATE, FY 2023 (ADJUSTED)



NOTES:

1. State public financial aid is any state appropriated student financial aid for public institutions, excluding loans and aid for students attending medical schools. For many states, it includes aid for both tuition costs and living expenses. In several states, financial aid may include unawarded funds that were reverted back to the state.
2. The U.S. calculation does not include the District of Columbia.
3. Fiscal year 2023 state public financial aid is estimated for Pennsylvania.
4. In California, state funds used for nontuition financial aid are estimated and classified as uncategorizable state support. Therefore, they are not included in state financial aid. See the California State Spotlight for more details.
5. Adjustment factors to arrive at constant dollar figures include Cost of Living Index (COLI) and Enrollment Mix Index (EMI). The COLI is not a measure of inflation over time.

SOURCE: State Higher Education Executive Officers Association

TABLE 3.3

PUBLIC HIGHER EDUCATION STATE FINANCIAL AID PER FTE BY STATE, FY 2001-2023 (CONSTANT ADJUSTED DOLLARS)

	2001	2013	2018	2022	2023	% CHANGE SINCE 2022	% CHANGE SINCE 2018	% CHANGE SINCE 2013	% CHANGE SINCE 2001
ALABAMA	$173	$369	$678	$316	$296	-6.2%	-56.3%	-19.8%	71.2%
ALASKA	$-	$470	$884	$900	$809	-10.2%	-8.5%	72.1%	N/A
ARIZONA	$33	$55	$46	$116	$188	62.4%	310.6%	240.0%	474.3%
ARKANSAS	$713	$1,734	$1,209	$1,298	$1,081	-16.7%	-10.6%	-37.7%	51.5%
CALIFORNIA	$411	$883	$892	$1,028	$1,048	2.0%	17.5%	18.7%	154.8%
COLORADO	$770	$645	$867	$1,251	$1,337	6.8%	54.1%	107.3%	73.5%
CONNECTICUT	$541	$344	$346	$319	$331	3.6%	-4.4%	-3.8%	-38.8%
DELAWARE	$536	$480	$426	$479	$498	3.8%	16.9%	3.7%	-7.2%
FLORIDA	$937	$884	$1,248	$1,609	$1,565	-2.7%	25.5%	77.0%	67.0%
GEORGIA	$2,064	$1,891	$2,350	$2,565	$2,542	-0.9%	8.2%	34.5%	23.2%
HAWAII	$11	$70	$109	$196	$148	-24.6%	35.7%	111.1%	1243.2%
IDAHO	$112	$137	$297	$355	$370	4.3%	24.7%	170.6%	229.3%
ILLINOIS	$1,161	$780	$931	$1,104	$1,346	22.0%	44.6%	72.6%	16.0%
INDIANA	$683	$1,144	$1,423	$1,185	$1,091	-7.9%	-23.3%	-4.6%	59.7%
IOWA	$60	$169	$73	$328	$338	2.9%	360.8%	100.0%	466.5%
KANSAS	$130	$114	$108	$379	$386	1.8%	255.8%	238.7%	196.0%
KENTUCKY	$350	$1,260	$1,597	$1,782	$2,177	22.2%	36.4%	72.8%	522.2%
LOUISIANA	$931	$1,628	$2,321	$2,437	$2,150	-11.8%	-7.3%	32.1%	131.1%
MAINE	$442	$262	$553	$606	$1,114	83.7%	101.5%	325.1%	152.0%
MARYLAND	$399	$329	$378	$379	$406	7.3%	7.6%	23.7%	1.9%
MASSACHUSETTS	$650	$364	$364	$612	$757	23.7%	108.3%	108.0%	16.4%
MICHIGAN	$799	$3	$35	$308	$213	-30.7%	512.0%	6550.3%	-73.3%
MINNESOTA	$789	$670	$818	$871	$920	5.5%	12.4%	37.2%	16.5%
MISSISSIPPI	$603	$317	$359	$431	$457	5.8%	27.1%	44.1%	-24.2%
MISSOURI	$329	$546	$740	$1,113	$1,144	2.8%	54.6%	109.5%	247.7%
MONTANA	$153	$146	$47	$46	$44	-4.4%	-5.7%	-69.7%	-70.9%
NEBRASKA	$59	$185	$245	$335	$330	-1.2%	35.0%	78.9%	456.8%
NEVADA	$1,039	$1,235	$1,352	$1,344	$1,292	-3.9%	-4.4%	4.6%	24.4%
NEW HAMPSHIRE	$41	$-	$97	$160	$221	38.0%	126.9%	N/A	435.2%
NEW JERSEY	$979	$1,018	$1,204	$1,473	$1,521	3.3%	26.3%	49.4%	55.4%
NEW MEXICO	$993	$1,215	$953	$1,692	$3,444	103.5%	261.3%	183.4%	246.8%
NEW YORK	$1,107	$1,290	$1,542	$1,343	$1,227	-8.6%	-20.5%	-4.9%	10.8%
NORTH CAROLINA	$335	$575	$483	$449	$563	25.3%	16.6%	-2.2%	68.1%
NORTH DAKOTA	$54	$445	$504	$587	$552	-5.9%	9.6%	24.2%	927.9%
OHIO	$347	$242	$300	$365	$381	4.3%	26.9%	57.4%	9.7%
OKLAHOMA	$393	$998	$1,043	$919	$987	7.4%	-5.4%	-1.1%	151.3%
OREGON	$217	$338	$546	$742	$876	18.0%	60.4%	159.0%	303.5%
PENNSYLVANIA	$952	$830	$673	$821	$891	8.5%	32.4%	7.4%	-6.4%
RHODE ISLAND	$183	$310	$271	$441	$441	0.0%	62.7%	42.5%	140.8%
SOUTH CAROLINA	$570	$2,091	$2,129	$2,362	$2,252	-4.6%	5.8%	7.7%	294.9%
SOUTH DAKOTA	$8	$162	$242	$225	$216	-4.1%	-10.5%	33.7%	2650.9%
TENNESSEE	$326	$2,214	$2,800	$3,308	$3,478	5.1%	24.2%	57.1%	967.1%
TEXAS	$23	$315	$564	$635	$602	-5.3%	6.7%	90.8%	2560.3%
UTAH	$97	$138	$200	$308	$302	-1.8%	50.8%	118.5%	209.7%
VERMONT	$539	$481	$495	$475	$549	15.5%	10.9%	14.1%	1.9%
VIRGINIA	$566	$692	$888	$1,270	$1,351	6.4%	52.2%	95.2%	138.7%
WASHINGTON	$749	$1,412	$1,295	$1,804	$1,790	-0.8%	38.2%	26.8%	139.1%
WEST VIRGINIA	$464	$1,500	$1,534	$1,553	$1,522	-2.0%	-0.8%	1.4%	227.7%
WISCONSIN	$465	$691	$676	$614	$614	-0.1%	-9.2%	-11.2%	31.9%
WYOMING	$1,095	$1,404	$1,565	$1,758	$1,359	-22.7%	-13.2%	-3.3%	24.1%
U.S.	**$577**	**$771**	**$891**	**$1,025**	**$1,050**	**2.5%**	**17.9%**	**36.2%**	**82.2%**
D.C.	N/A	$1,945	$1,280	$1,068	$836	-21.7%	-34.6%	-57.0%	N/A

NOTES:

1. State public financial aid is any state appropriated student financial aid for public institutions, excluding loans and aid for students attending medical schools. For many states, it includes aid for both tuition costs and living expenses. In several states, financial aid may include unawarded funds that were reverted back to the state.
2. Financial aid data are not available prior to 2001. Over time, states have shifted from reporting appropriated student financial aid to reporting actual/awarded student financial aid. Any such updates are made to all historical data for each state.
3. The U.S. calculation does not include the District of Columbia. Data for the District of Columbia are not available prior to 2011.
4. Fiscal year 2023 state public financial aid is estimated for Pennsylvania.
5. In California, state funds used for nontuition financial aid are estimated and classified as uncategorizable state support. Therefore, they are not included in state financial aid. See the California State Spotlight for more details.
6. Texas developed a new methodology to capture state funding to institutions of higher education and updated FTE enrollment starting in 2017. Years prior to 2017 do not reflect this new methodology, which may affect some year-to-year comparisons.
7. Adjustment factors to arrive at constant dollar figures include Cost of Living Index (COLI), Enrollment Mix Index (EMI), and Higher Education Cost Adjustment (HECA). The COLI is not a measure of inflation over time.

SOURCE: State Higher Education Executive Officers Association

2. SECTOR COMPARISONS

Table 3.3A presents state financial aid allocated to FTE students attending the public two-year and four-year sectors, separately. In some cases, states were not able to identify the sector for some of their financial aid dollars. In those cases, the funds were listed as "uncategorizable" and are excluded from this section.[29]

At two-year institutions, state public financial aid increased 1.9% from 2022 to 2023 (a $12 increase per student), reaching $656 per FTE. Aid ranged from $7 per FTE in Arizona to $4,747 in Tennessee. Montana, North Carolina, Ohio, South Dakota, and Wyoming were the only other states to provide less than $100 per FTE student while Kentucky, Maine, and South Carolina were the only other states to provide more than $2,000 per FTE.

Financial aid to two-year institutions increased in 26 states from 2022 to 2023. The largest increase was in Maine (124.2%, or $1,143 per FTE)[30] while the smallest was in Georgia (1.7%, or $15 per FTE). Of the 23 states with declines, decreases ranged from 0.3% (or $2 per FTE) in Iowa to 96.1% (or $481 per FTE) in Wyoming.[31]

At four-year institutions, state public financial aid increased 2.8%, or $35 per FTE, totaling $1,259 per FTE from 2022 to 2023. Aid ranged from $23 per FTE in Michigan to $5,171 per FTE in New Mexico. This means that New Mexico provided 1.7 times the amount of four-year financial aid than Georgia, which had the second largest amount at $3,020 per FTE.

From 2022 to 2023, four-year aid allocations increased in half of all states. The other 25 states and Washington, D.C., had decreases in per-FTE financial aid. Decreases ranged from 0.07% (less than 30 cents per FTE) in Idaho to 37.4% (or $115 per FTE) in Connecticut.

MEASUREMENT NOTE: FINANCIAL AID REPORTING

Starting in 2020, the SHEF data collection asked states to provide state financial aid by sector. For many statewide programs, there is not a separate financial aid appropriation for two-year and four-year public institutions, and actual allocations must be reported to obtain accurate sector-level data. As a result, many states switched from reporting financial aid appropriations to reporting actual allocations by sector. A handful of states, including those with multiple sector-level data providers, have always provided financial aid allocations. This reporting change is noteworthy because financial aid awards depend on the number of students who qualify and apply for each aid program, and appropriations rarely match allocations. In all cases, prior year data were corrected to match the new reporting methodology, or unallocated funds were listed as "uncategorizable public aid" to ensure continuity in state support definitions over time. Nevertheless, this reporting change marks a departure from the historical practice of SHEF reporting state appropriations for financial aid.

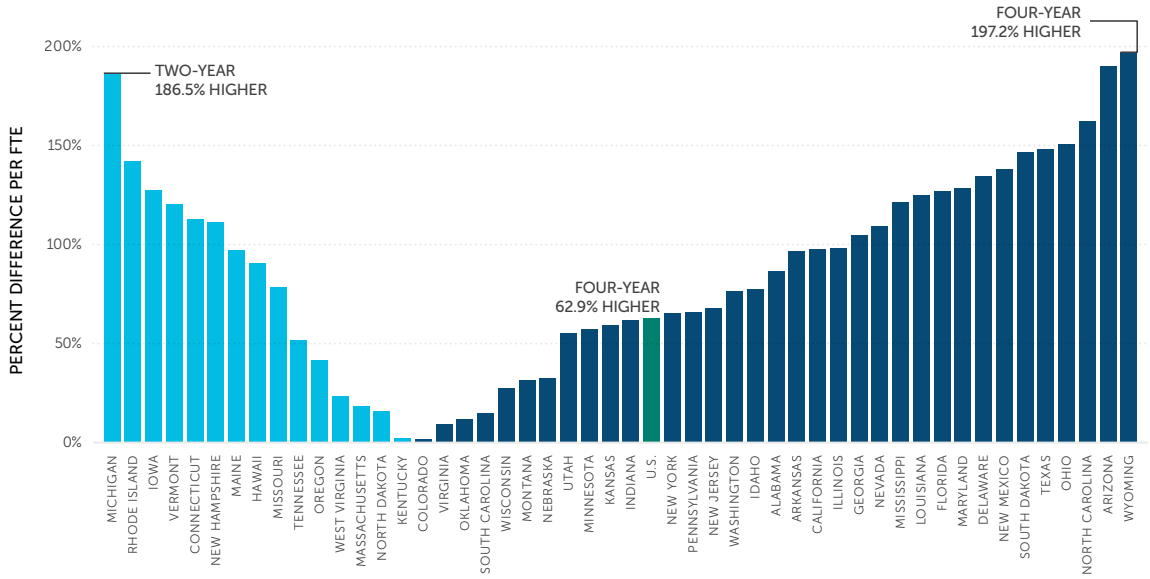


29. Overall, 1.8% of state public financial aid was uncategorizable. Thirty-five states and Washington, D.C., were able to classify all state public financial aid by sector and listed no uncategorizable aid. In four states, more than 10% of aid could not be classified by sector: Alabama (13.4%), Colorado (14.4%), Pennsylvania (18.6%), and Texas (12.5%). Additionally, in California, state funds for nontuition financial aid are classified as uncategorizable state support. Therefore, they are not included in sector-level data. See the California State Spotlight for more details.
30. Maine implemented a new tuition-free college scholarship program in fiscal year 2023.
31. The large decline in Wyoming for fiscal year 2023 is due to the state having used federal stimulus dollars to fund student aid for nursing programs that were previously funded using state dollars.

Figure 3.3A displays the disparity in state financial aid between the two- and four-year public sectors within each state. States on the left side of the figure (the **light blue** bars) have higher per-FTE financial aid in the two-year sector, while states on the right side of the figure (the **dark blue** bars) have relatively higher per-FTE financial aid in the four-year sector. While most states have greater financial aid in the four-year sector (62.9% higher, on national average), the four-year sector also has much higher tuition rates. Michigan had the largest disparity in financial aid, favoring its two-year sector (186.5% higher), while Wyoming had the largest disparity, favoring its four-year sector (197.2% higher).[32]

FIGURE 3.3A

PERCENT DIFFERENCE IN TWO-YEAR AND FOUR-YEAR PUBLIC HIGHER EDUCATION STATE FINANCIAL AID PER FTE BY STATE, FY 2023



NOTES:

1. State public financial aid is any state appropriated student financial aid for public institutions, excluding loans and aid for students attending medical schools. For many states, it includes aid for both tuition costs and living expenses. Sector-level state public financial aid excludes any financial aid that could not be categorized by sector. Differences in aid amounts across sector capture variation in the proportion of students receiving an award as well as differences in average award size.
2. Alaska and the District of Columbia are excluded from this figure because they do not have any public two-year institutions.
3. Sector is determined at the institution level using the Carnegie Basic Classification (carnegieclassifications.acenet.edu). Baccalaureate/Associate's Colleges and "less-than-two-year" degree-granting institutions not assigned a Carnegie classification are considered two-year institutions.
4. Fiscal year 2023 two- and four-year state public financial aid is estimated for Pennsylvania.
5. In California, state funds for nontuition financial aid are classified as uncategorizable state support. Therefore, they are not included in sector-level financial aid. See the California State Spotlight for more details.

SOURCE: State Higher Education Executive Officers Association

32. Ibid.

TABLE 3.3A

PUBLIC HIGHER EDUCATION STATE FINANCIAL AID PER FTE BY SECTOR AND STATE, FY 2019-2023 (CONSTANT ADJUSTED DOLLARS)

	TWO-YEAR FINANCIAL AID						FOUR-YEAR FINANCIAL AID					
	2019	2022	2023	INDEX TO U.S.	% CHANGE SINCE 2022	% CHANGE SINCE 2019	2019	2022	2023	INDEX TO U.S.	% CHANGE SINCE 2022	% CHANGE SINCE 2019
ALABAMA	$184	$129	$125	0.19	-3.3%	-32.2%	$576	$349	$316	0.25	-9.4%	-45.2%
ALASKA	$-	$-	$-	N/A	N/A	N/A	$792	$869	$775	0.62	-10.8%	-2.2%
ARIZONA	$7	$7	$7	0.01	-5.3%	3.3%	$69	$163	$270	0.21	65.4%	294.2%
ARKANSAS	$321	$421	$439	0.67	4.2%	36.8%	$1,487	$1,571	$1,264	1.00	-19.5%	-15.0%
CALIFORNIA	$775	$582	$566	0.86	-2.8%	-27.0%	$1,008	$1,576	$1,642	1.30	4.2%	62.9%
COLORADO	$1,038	$1,164	$1,157	1.76	-0.6%	11.5%	$916	$1,061	$1,179	0.94	11.1%	28.7%
CONNECTICUT	$352	$351	$689	1.05	96.0%	95.4%	$310	$307	$192	0.15	-37.4%	-38.0%
DELAWARE	$111	$119	$118	0.18	-0.9%	6.9%	$580	$591	$603	0.48	2.1%	4.1%
FLORIDA	$540	$575	$566	0.86	-1.4%	5.0%	$2,591	$2,608	$2,531	2.01	-3.0%	-2.3%
GEORGIA	$919	$925	$940	1.43	1.7%	2.3%	$2,956	$3,041	$3,020	2.40	-0.7%	2.1%
HAWAII	$158	$373	$250	0.38	-32.9%	58.8%	$105	$98	$94	0.07	-4.0%	-10.6%
IDAHO	$231	$136	$189	0.29	39.2%	-18.3%	$430	$427	$427	0.34	-0.1%	-0.8%
ILLINOIS	$366	$510	$623	0.95	22.4%	70.2%	$1,376	$1,506	$1,824	1.45	21.1%	32.6%
INDIANA	$731	$775	$663	1.01	-14.5%	-9.3%	$1,610	$1,333	$1,255	1.00	-5.8%	-22.1%
IOWA	$135	$609	$607	0.92	-0.3%	348.1%	$73	$118	$134	0.11	13.7%	84.4%
KANSAS	$24	$263	$255	0.39	-3.0%	973.4%	$217	$452	$469	0.37	3.7%	116.2%
KENTUCKY	$1,739	$1,933	$2,222	3.39	14.9%	27.8%	$1,583	$1,730	$2,172	1.73	25.5%	37.2%
LOUISIANA	$492	$658	$616	0.94	-6.4%	25.2%	$2,964	$2,993	$2,670	2.12	-10.8%	-9.9%
MAINE	$806	$920	$2,064	3.14	124.2%	156.2%	$487	$518	$714	0.57	37.7%	46.4%
MARYLAND	$87	$154	$119	0.18	-23.2%	36.7%	$472	$484	$546	0.43	12.8%	15.8%
MASSACHUSETTS	$424	$680	$853	1.30	25.5%	101.5%	$399	$576	$709	0.56	23.1%	77.8%
MICHIGAN	$8	$982	$669	1.02	-31.9%	8709.6%	$31	$24	$23	0.02	-3.8%	-25.0%
MINNESOTA	$584	$579	$615	0.94	6.3%	5.3%	$1,059	$1,050	$1,109	0.88	5.6%	4.7%
MISSISSIPPI	$147	$162	$167	0.25	3.1%	13.5%	$606	$641	$682	0.54	6.3%	12.5%
MISSOURI	$965	$1,803	$1,871	2.85	3.8%	93.8%	$636	$800	$818	0.65	2.1%	28.5%
MONTANA	$27	$39	$36	0.05	-7.5%	33.8%	$55	$51	$49	0.04	-3.7%	-10.7%
NEBRASKA	$235	$276	$262	0.40	-5.2%	11.6%	$267	$362	$364	0.29	0.5%	36.2%
NEVADA	$605	$587	$530	0.81	-9.6%	-12.4%	$1,986	$1,856	$1,802	1.43	-2.9%	-9.3%
NEW HAMPSHIRE	$350	$386	$501	0.76	29.8%	43.1%	$42	$96	$142	0.11	48.8%	237.1%
NEW JERSEY	$707	$831	$870	1.33	4.7%	23.1%	$1,603	$1,729	$1,762	1.40	1.9%	9.9%
NEW MEXICO	$292	$580	$951	1.45	63.8%	225.9%	$1,989	$2,472	$5,171	4.11	109.2%	159.9%
NEW YORK	$1,227	$785	$742	1.13	-5.6%	-39.5%	$1,725	$1,608	$1,460	1.16	-9.2%	-15.4%
NORTH CAROLINA	$116	$110	$97	0.15	-12.2%	-16.7%	$752	$703	$933	0.74	32.7%	24.1%
NORTH DAKOTA	$484	$653	$637	0.97	-2.6%	31.6%	$523	$584	$543	0.43	-7.0%	3.9%
OHIO	$40	$32	$66	0.10	109.1%	67.5%	$374	$439	$474	0.38	8.0%	26.8%
OKLAHOMA	$725	$587	$909	1.38	54.8%	25.3%	$1,184	$1,060	$1,023	0.81	-3.5%	-13.6%
OREGON	$790	$933	$1,127	1.72	20.8%	42.7%	$489	$638	$740	0.59	16.0%	51.4%
PENNSYLVANIA	$371	$397	$419	0.64	5.5%	12.7%	$672	$739	$832	0.66	12.6%	23.7%
RHODE ISLAND	$902	$1,122	$1,110	1.69	-1.1%	23.0%	$199	$192	$188	0.15	-2.3%	-5.8%
SOUTH CAROLINA	$2,524	$2,132	$2,068	3.15	-3.0%	-18.1%	$2,464	$2,530	$2,400	1.91	-5.1%	-2.6%
SOUTH DAKOTA	$31	$35	$38	0.06	10.0%	22.2%	$279	$262	$250	0.20	-4.4%	-10.2%
TENNESSEE	$3,299	$4,369	$4,747	7.23	8.7%	43.9%	$2,744	$2,692	$2,796	2.22	3.9%	1.9%
TEXAS	$127	$131	$123	0.19	-6.4%	-3.1%	$869	$865	$827	0.66	-4.4%	-4.9%
UTAH	$90	$142	$190	0.29	34.0%	112.5%	$293	$354	$335	0.27	-5.2%	14.5%
VERMONT	$941	$1,181	$1,530	2.33	29.5%	62.6%	$420	$351	$379	0.30	7.9%	-9.8%
VIRGINIA	$657	$1,200	$1,277	1.95	6.5%	94.4%	$1,095	$1,322	$1,405	1.12	6.3%	28.4%
WASHINGTON	$844	$1,084	$1,110	1.69	2.5%	31.6%	$1,905	$2,514	$2,481	1.97	-1.3%	30.3%
WEST VIRGINIA	$1,117	$1,816	$1,898	2.89	4.5%	69.9%	$1,652	$1,552	$1,498	1.19	-3.4%	-9.3%
WISCONSIN	$551	$406	$504	0.77	24.0%	-8.7%	$752	$705	$664	0.53	-5.9%	-11.8%
WYOMING	$713	$501	$20	0.03	-96.1%	-97.3%	$2,280	$3,042	$2,811	2.23	-7.6%	23.3%
U.S.	**$629**	**$644**	**$656**	**1.00**	**1.9%**	**4.4%**	**$1,108**	**$1,224**	**$1,259**	**1.00**	**2.8%**	**13.7%**
D.C.	$-	$-	$-	N/A	N/A	N/A	$1,262	$1,033	$809	0.64	-21.7%	-35.9%

NOTES:

1. State public financial aid is any state appropriated student financial aid for public institutions, excluding loans and aid for students attending medical schools. For many states, it includes aid for both tuition costs and living expenses. Sector-level state public financial aid excludes any financial aid that could not be categorized by sector.
2. The U.S. calculation does not include the District of Columbia. There are no two-year public institutions in Alaska or the District of Columbia.
3. The year 2019 is included in this table because it is the starting point of the sector-level SHEF dataset.
4. Sector is determined at the institution level using the Carnegie Basic Classification (carnegieclassifications.acenet.edu). Baccalaureate/Associate's Colleges and "less-than-two-year" degree-granting institutions not assigned a Carnegie classification are considered two-year institutions.
5. Fiscal year 2023 two- and four-year state public financial aid is estimated for Pennsylvania.
6. In California, state funds for nontuition financial aid are classified as uncategorizable state support. Therefore, they are not included in sector-level financial aid. See the California State Spotlight for more details.
7. Adjustment factors to arrive at constant dollar figures include Cost of Living Index (COLI) and Higher Education Cost Adjustment (HECA). The COLI is not a measure of inflation over time. The Enrollment Mix Index (EMI) is not applied to sector-level data.

SOURCE: State Higher Education Executive Officers Association

FINANCIAL AID PERCENTAGE OF EDUCATION APPROPRIATIONS

Financial aid is one component of education appropriations. This section provides data on state public financial aid as a percentage of education appropriations (the financial aid allocation) by state and sector. The percentage of education appropriations allocated to state financial aid has increased over time. In 2001, 5.1% of education appropriations were directed toward student financial aid; by 2023, this proportion had increased to 9.5% (an increase of 4.4 percentage points).

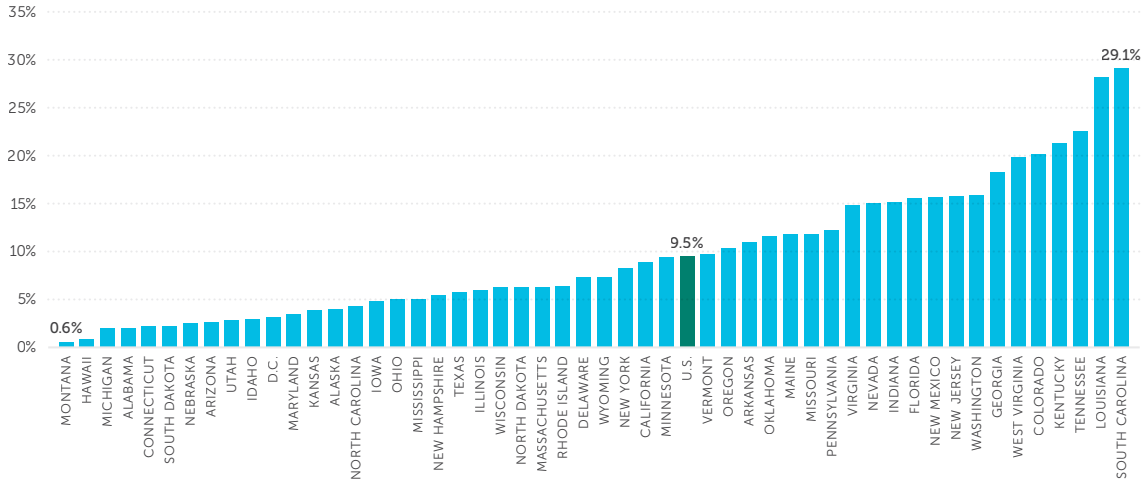
1. STATE COMPARISONS

States vary considerably in how much of their total funding is allocated to student financial aid. On the low end, Montana has a very small aid program that comprised only 0.6% of its total education appropriations. On the high end, the financial aid allocation accounted for 29.1% of South Carolina's total funding for public higher education (*Figure 3.4)*.

Financial aid as a percentage of education appropriations has increased in 41 states since 2001, when SHEEO first collected financial aid data. Of the nine states with declines in the proportion of education appropriations allocated to financial aid, Mississippi (0.05 percentage points) had the smallest decline while Michigan (3.7 percentage points) had the largest.

FIGURE 3.4

PUBLIC HIGHER EDUCATION STATE FINANCIAL AID AS A PERCENTAGE OF EDUCATION APPROPRIATIONS BY STATE, FY 2023



NOTES:

1. State public financial aid is any state appropriated student financial aid for public institutions, excluding loans and aid for students attending medical schools. For many states, it includes aid for both tuition costs and living expenses. In several states, financial aid may include unawarded funds that were reverted back to the state.
2. Education appropriations are a measure of state and local support available for public higher education operating expenses and student financial aid, excluding appropriations for research, hospitals, and medical education. Education appropriations include federal stimulus funding.
3. In fiscal year 2023, education appropriations include estimated federal stimulus for Kentucky and state public financial aid for Pennsylvania.
4. Each year, approximately one-third of education appropriations in Illinois go toward the state's retirement pension system. See the Illinois State Spotlight for more details.

SOURCE: State Higher Education Executive Officers Association

2. SECTOR COMPARISONS

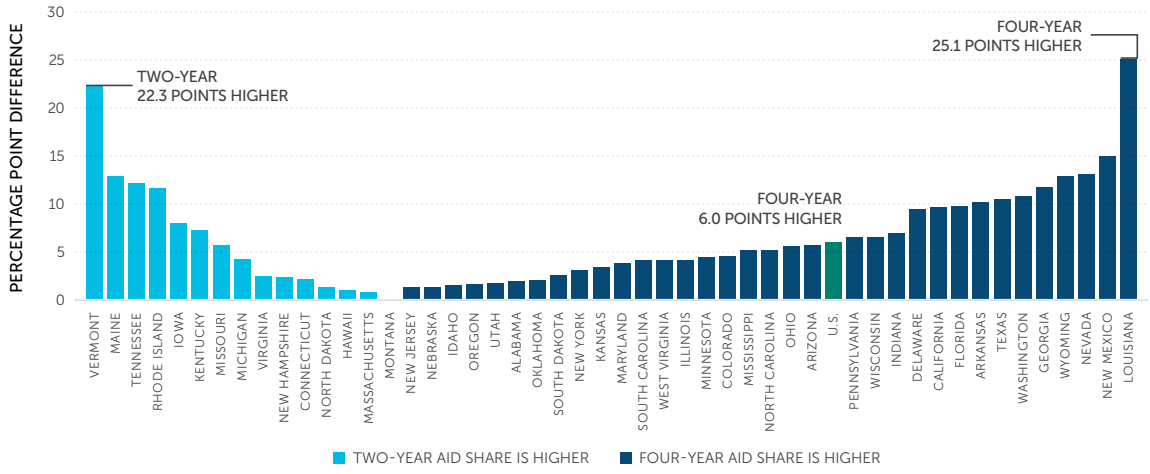
The percentage of education appropriations allocated to financial aid differs for two- and four-year institutions. In fiscal year 2023, 6.3% of funding at two-year institutions went to financial aid, compared to 12.3% of funding at four-year institutions.[33]

- The financial aid allocation at two-year institutions ranged from 0.05% in Arizona to 32.9% in Tennessee. Including Arizona, seven states had a two-year financial aid allocation of less than 1%.
- At four-year institutions, Michigan had the lowest financial aid allocation (0.3%), and Louisiana had the highest (37.7%). Hawai`i and Montana were the only other states that had a four-year financial aid allocation of less than 1%.

Figure 3.4A shows the difference in the financial aid allocation as a percentage of sector-level education appropriations between two- and four-year institutions. In states on the figure's left side (the **light blue** bars), the financial aid allocation as a percentage of two-year education appropriations is highest in the two-year sector. Most states are on the right side of *Figure 3.4A* (the **dark blue** bars), indicating that in a majority of states, the mix of funding for four-year institutions leans more toward student aid than at two-year institutions.

FIGURE 3.4A

DIFFERENCE IN TWO-YEAR AND FOUR-YEAR STATE FINANCIAL AID AS A PERCENTAGE OF EDUCATION APPROPRIATIONS BY STATE, FY 2023



NOTES:

1. State public financial aid is any state appropriated student financial aid for public institutions, excluding loans and aid for students attending medical schools. For many states, it includes aid for both tuition costs and living expenses. Sector-level state public financial aid excludes any financial aid that could not be categorized by sector. Differences in aid amounts across sector capture variation in the proportion of students receiving an award as well as differences in average award size.
2. Education appropriations are a measure of state and local support available for public higher education operating expenses and student financial aid, excluding appropriations for research, hospitals, and medical education. Sector-level education appropriations include any portion of federal stimulus funding allocated specifically to each sector, but exclude state agency funding.
3. Percentage point differences show the number of percentage points by which the student share is higher at either two- or four-year institutions, not the percent difference between the two.
4. Alaska and the District of Columbia are excluded from this figure because they do not have any public two-year institutions.
5. Sector is determined at the institution level using the Carnegie Basic Classification (carnegieclassifications.acenet.edu). Baccalaureate/Associate's Colleges and "less-than-two-year" degree-granting institutions not assigned a Carnegie classification are considered two-year institutions.
6. In fiscal year 2023, sector-level education appropriations include estimated federal stimulus for Kentucky and state public financial aid for Pennsylvania.
7. In California, state funds for nontuition financial aid are estimated and classified as uncategorizable state support, which is not included in sector-level education appropriations, nor sector-level financial aid. See the California State Spotlight for more details.
8. Each year, approximately one-third of education appropriations in Illinois go toward the state's retirement pension system. See the Illinois State Spotlight for more details.

SOURCE: State Higher Education Executive Officers Association

33. For a breakdown of state aid as a percentage of education appropriations over time for each state and by sector, visit the web-only *Tables 3.4* and *3.4A* on the SHEF website at shef.sheeo.org/report/?report_page=state-funding-and-enrollment#financial-aid-share.

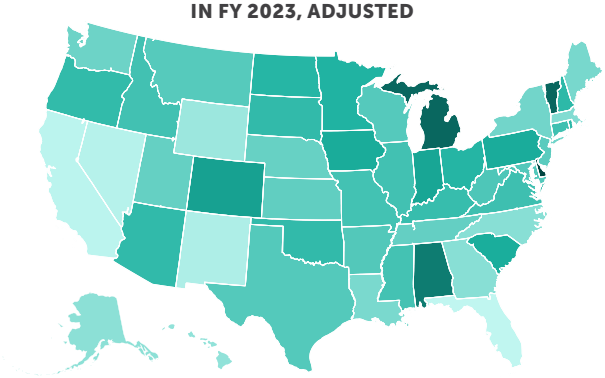
NET TUITION AND TOTAL EDUCATION REVENUE

This section thoroughly examines the trends and interstate differences in net tuition and fee revenue and total education revenue, including the student share. We also present sector-level breakouts for each of these metrics.

NET TUITION AND FEE REVENUE

Net tuition and fee revenue is calculated by taking the gross amount of tuition and fees net of state and institutional financial aid, tuition waivers or discounts, and medical student tuition and fees. Federal financial aid and student loans are included in net tuition and fee revenue. Visit the SHEF website to view the interactive tuition revenue map. This map shows net tuition and fee revenue per FTE across the nation.

NET TUITION REVENUE PER FTE IN FY 2023, ADJUSTED



After decades of steady tuition and fee increases, this trend has recently shifted; tuition and fee revenue has declined in four of the last five years. **Public institutions received $7,353 in net tuition revenue from in-state and out-of-state students in 2023, down 3.3% from 2022, the largest one-year decrease since 1980, the start of the SHEF dataset.** Collectively, net tuition and fee revenue is down 9.4% over the last five years (since 2018). Decreases in net tuition revenue are largely due to increases in state financial aid and minimal tuition rate growth (lower than the rate of inflation).

1. STATE COMPARISONS

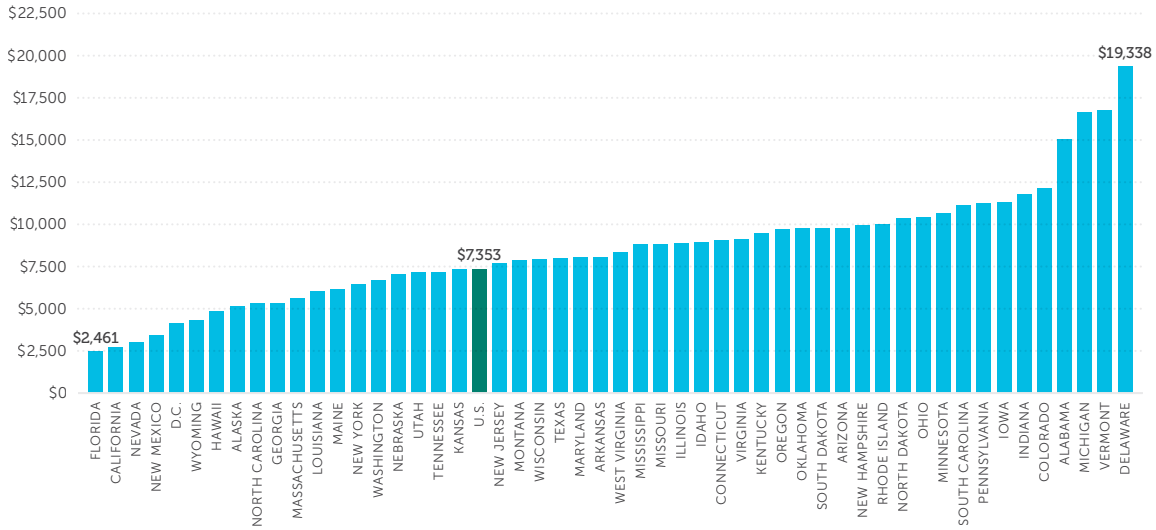
Net tuition and fee revenue per FTE ranged widely across the states due to variation in the mix of students paying different tuition rates, the level of state support and availability of state public financial aid, and whether institutions can freely raise their tuition rates (*Figure 4.1)*. On the low end, net tuition and fee revenue was $2,461 per FTE in Florida. On the high end, net tuition and fee revenue was $19,338 in Delaware.

- *Table 4.1* shows that net tuition and fee revenue per FTE declined in 36 states between 2022 and 2023. Year-over-year declines ranged from 0.6% (or $66 per FTE) in Iowa to 39.6% in New Mexico (or $2,224 per FTE).
- Fourteen states and Washington, D.C., had net tuition and fee revenue increases from 2022 to 2023. Of those, increases ranged from 0.1% (or $10 per FTE) in Wisconsin to 12.7% (or $486 per FTE) in Wyoming.

Between 2018 and 2023, net tuition and fee revenue has declined in 37 states and Washington, D.C. Despite these recent declines, net tuition revenue per FTE has increased in every state, and by more than 100% in 42, since 1980. The smallest increase between 1980 and 2023 was 25.9% in Nevada; the largest increases, both more than 400%, were in Alabama (408.1%) and Hawai`i (403.2%).

FIGURE 4.1

PUBLIC HIGHER EDUCATION NET TUITION REVENUE PER FTE BY STATE, FY 2023 (ADJUSTED)



NOTES:

1. Net tuition revenue is calculated by taking the gross amount of tuition and fees, less state and institutional financial aid, tuition waivers or discounts, and medical student tuition and fees.
2. The U.S. calculation does not include the District of Columbia.
3. Fiscal year 2023 net tuition and fee revenue includes estimates for Arkansas, Kentucky, Massachusetts, Oklahoma, and Pennsylvania.
4. Adjustment factors to arrive at constant dollar figures include Cost of Living Index (COLI) and Enrollment Mix Index (EMI). The COLI is not a measure of inflation over time.

SOURCE: State Higher Education Executive Officers Association

TABLE 4.1

PUBLIC HIGHER EDUCATION NET TUITION REVENUE PER FTE BY STATE, FY 1980-2023 (CONSTANT ADJUSTED DOLLARS)

	1980	2001	2013	2018	2022	2023	% CHANGE SINCE 2022	% CHANGE SINCE 2018	% CHANGE SINCE 2013	% CHANGE SINCE 2001	% CHANGE SINCE 1980
ALABAMA	$2,964	$7,064	$13,395	$16,182	$15,840	$15,062	-4.9%	-6.9%	12.4%	113.2%	408.1%
ALASKA	$2,629	$3,494	$5,119	$5,367	$5,458	$5,140	-5.8%	-4.2%	0.4%	47.1%	95.5%
ARIZONA	$2,398	$4,717	$7,949	$9,881	$9,269	$9,769	5.4%	-1.1%	22.9%	107.1%	307.3%
ARKANSAS	$3,242	$3,825	$5,835	$7,916	$7,776	$8,036	3.3%	1.5%	37.7%	110.1%	147.9%
CALIFORNIA	$753	$1,226	$3,261	$3,737	$2,850	$2,717	-4.7%	-27.3%	-16.7%	121.5%	261.0%
COLORADO	$3,574	$5,321	$9,714	$11,957	$12,284	$12,123	-1.3%	1.4%	24.8%	127.8%	239.2%
CONNECTICUT	$2,453	$5,994	$9,025	$12,397	$11,701	$9,067	-22.5%	-26.9%	0.5%	51.3%	269.7%
DELAWARE	$5,530	$12,244	$19,395	$20,639	$20,397	$19,338	-5.2%	-6.3%	-0.3%	57.9%	249.7%
FLORIDA	$1,921	$3,532	$4,121	$3,410	$2,619	$2,461	-6.0%	-27.8%	-40.3%	-30.3%	28.1%
GEORGIA	$2,365	$2,902	$5,864	$6,226	$5,631	$5,309	-5.7%	-14.7%	-9.5%	83.0%	124.4%
HAWAII	$963	$2,509	$4,847	$5,176	$4,969	$4,846	-2.5%	-6.4%	0.0%	93.1%	403.2%
IDAHO	$2,323	$4,489	$7,193	$8,835	$9,298	$8,912	-4.2%	0.9%	23.9%	98.5%	283.6%
ILLINOIS	$2,034	$3,593	$8,229	$9,564	$9,585	$8,896	-7.2%	-7.0%	8.1%	147.6%	337.4%
INDIANA	$4,127	$7,588	$11,654	$11,763	$12,212	$11,768	-3.6%	0.0%	1.0%	55.1%	185.1%
IOWA	$3,752	$6,868	$10,935	$11,742	$11,384	$11,319	-0.6%	-3.6%	3.5%	64.8%	201.7%
KANSAS	$3,260	$4,887	$7,598	$8,207	$7,513	$7,344	-2.3%	-10.5%	-3.3%	50.3%	125.2%
KENTUCKY	$3,044	$6,023	$10,658	$11,062	$10,406	$9,472	-9.0%	-14.4%	-11.1%	57.2%	211.1%
LOUISIANA	$2,334	$3,238	$5,451	$6,242	$5,949	$6,034	1.4%	-3.3%	10.7%	86.4%	158.6%
MAINE	$3,410	$6,289	$8,091	$7,436	$7,115	$6,122	-14.0%	-17.7%	-24.3%	-2.7%	79.5%
MARYLAND	$2,864	$6,341	$8,149	$8,444	$8,308	$8,028	-3.4%	-4.9%	-1.5%	26.6%	180.3%
MASSACHUSETTS	$2,617	$4,867	$6,128	$6,956	$5,628	$5,636	0.1%	-19.0%	-8.0%	15.8%	115.4%
MICHIGAN	$4,789	$8,424	$14,699	$16,687	$16,441	$16,644	1.2%	-0.3%	13.2%	97.6%	247.5%
MINNESOTA	$2,654	$5,018	$10,715	$10,896	$10,815	$10,637	-1.6%	-2.4%	-0.7%	112.0%	300.9%
MISSISSIPPI	$3,421	$4,687	$7,618	$8,787	$8,951	$8,787	-1.8%	0.0%	15.3%	87.5%	156.9%
MISSOURI	$3,339	$5,371	$8,108	$7,752	$8,454	$8,838	4.5%	14.0%	9.0%	64.6%	164.7%
MONTANA	$2,246	$4,959	$7,104	$7,821	$7,726	$7,878	2.0%	0.7%	10.9%	58.9%	250.7%
NEBRASKA	$2,820	$4,776	$7,145	$7,848	$7,362	$7,034	-4.5%	-10.4%	-1.6%	47.3%	149.4%
NEVADA	$2,366	$3,046	$4,343	$4,314	$3,031	$2,980	-1.7%	-30.9%	-31.4%	-2.2%	25.9%
NEW HAMPSHIRE	$6,223	$10,908	$11,625	$11,030	$10,333	$9,961	-3.6%	-9.7%	-14.3%	-8.7%	60.1%
NEW JERSEY	$2,198	$7,522	$9,610	$10,779	$8,171	$7,671	-6.1%	-28.8%	-20.2%	2.0%	249.1%
NEW MEXICO	$2,313	$1,743	$3,183	$4,437	$5,620	$3,395	-39.6%	-23.5%	6.7%	94.8%	46.8%
NEW YORK	$2,980	$4,860	$6,059	$6,529	$6,311	$6,457	2.3%	-1.1%	6.6%	32.8%	116.7%
NORTH CAROLINA	$2,266	$3,472	$5,228	$6,288	$5,585	$5,301	-5.1%	-15.7%	1.4%	52.7%	134.0%
NORTH DAKOTA	$2,690	$5,299	$8,900	$9,791	$10,718	$10,326	-3.7%	5.5%	16.0%	94.8%	283.9%
OHIO	$4,543	$7,715	$11,100	$11,780	$10,127	$10,404	2.7%	-11.7%	-6.3%	34.9%	129.0%
OKLAHOMA	$2,365	$3,172	$6,527	$8,612	$9,655	$9,738	0.9%	13.1%	49.2%	207.0%	311.7%
OREGON	$2,671	$4,896	$7,915	$9,146	$9,959	$9,704	-2.6%	6.1%	22.6%	98.2%	263.3%
PENNSYLVANIA	$5,204	$10,485	$11,870	$12,851	$11,849	$11,264	-4.9%	-12.3%	-5.1%	7.4%	116.5%
RHODE ISLAND	$3,459	$7,714	$9,167	$9,705	$10,661	$9,991	-6.3%	3.0%	9.0%	29.5%	188.8%
SOUTH CAROLINA	$2,605	$5,464	$9,885	$13,396	$11,529	$11,143	-3.3%	-16.8%	12.7%	103.9%	327.7%
SOUTH DAKOTA	$3,926	$7,313	$9,543	$9,848	$10,234	$9,745	-4.8%	-1.0%	2.1%	33.3%	148.3%
TENNESSEE	$2,919	$5,307	$7,912	$8,372	$7,420	$7,181	-3.2%	-14.2%	-9.2%	35.3%	146.0%
TEXAS	$2,134	$5,582	$6,016	$8,411	$8,939	$7,985	-10.7%	-5.1%	32.7%	43.0%	274.2%
UTAH	$2,753	$3,477	$6,529	$7,333	$7,398	$7,139	-3.5%	-2.6%	9.3%	105.3%	159.3%
VERMONT	$8,337	$14,807	$17,322	$18,281	$16,411	$16,728	1.9%	-8.5%	-3.4%	13.0%	100.7%
VIRGINIA	$2,729	$5,099	$9,137	$9,889	$9,438	$9,134	-3.2%	-7.6%	0.0%	79.1%	234.7%
WASHINGTON	$2,495	$2,894	$6,232	$6,348	$6,571	$6,690	1.8%	5.4%	7.3%	131.2%	168.2%
WEST VIRGINIA	$2,126	$4,957	$7,494	$9,450	$8,938	$8,314	-7.0%	-12.0%	10.9%	67.7%	291.0%
WISCONSIN	$4,150	$4,531	$7,261	$7,828	$7,912	$7,922	0.1%	1.2%	9.1%	74.9%	90.9%
WYOMING	$2,762	$3,819	$3,116	$4,111	$3,822	$4,308	12.7%	4.8%	38.3%	12.8%	55.9%
U.S.	**$2,629**	**$4,643**	**$7,245**	**$8,117**	**$7,606**	**$7,353**	**-3.3%**	**-9.4%**	**1.5%**	**58.4%**	**179.6%**
D.C.	N/A	N/A	$6,083	$7,306	$3,750	$4,115	9.7%	-43.7%	-32.4%	N/A	N/A

NOTES:

1. Net tuition revenue is calculated by taking the gross amount of tuition and fees, less state and institutional financial aid, tuition waivers or discounts, and medical student tuition and fees.
2. The U.S. calculation does not include the District of Columbia. Data for the District of Columbia are not available prior to 2011.
3. The years 1980 and 2001 are included in this table because they are the starting points of the historical SHEF dataset and modern SHEF data collection, respectively.
4. Fiscal year 2023 net tuition and fee revenue includes estimates for Arkansas, Kentucky, Massachusetts, Oklahoma, and Pennsylvania.
5. Adjustment factors to arrive at constant dollar figures include Cost of Living Index (COLI), Enrollment Mix Index (EMI), and Higher Education Cost Adjustment (HECA). The COLI is not a measure of inflation over time.

SOURCE: State Higher Education Executive Officers Association

2. SECTOR COMPARISONS

Table 4.1A presents new data on net tuition and fee revenue per FTE for the two- and four-year public sectors separately.

Net tuition and fee revenue at two-year institutions averaged $2,593 per FTE in 2023, down 6.6% ($183 per FTE) from 2022 and 15.9% ($491 per FTE) from 2019. In 2023, two-year net tuition ranged from a low of $289 per FTE in Tennessee to $7,198 per FTE in South Dakota.

In the last year, per-FTE tuition revenue decreased at two-year institutions in 39 states. Tennessee had the largest two-year tuition and fee revenue decline (61.3%) while Delaware had the smallest (0.8%). Of the 10 states with increases, Rhode Island has the smallest (0.4%) while Vermont had the largest (22.4%).

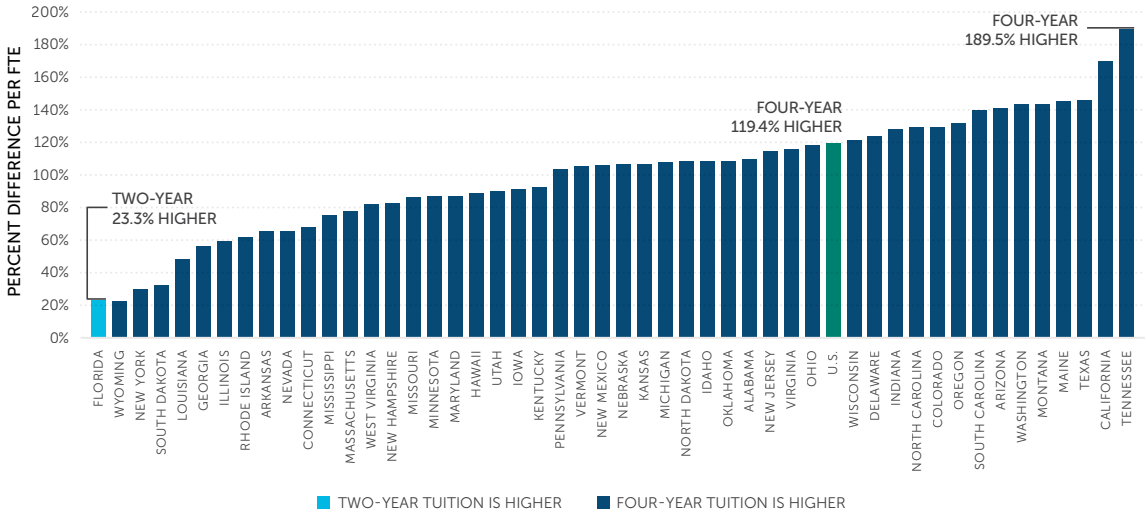
At four-year institutions, tuition revenue declined 2.7%, averaging $10,269 per FTE. This is still 4.0 times the average net tuition and fee revenue in the two-year sector. Florida had the lowest four-year tuition and fee revenue ($2,230 per FTE) while Delaware had the highest ($23,791 per FTE).

From 2022 to 2023, four-year net tuition revenue decreased in 33 states. The largest percent decline was 41.0% (or $3,311 per FTE) in New Mexico while Kansas had the smallest (0.6%, or $63 per FTE). Seventeen states and Washington, D.C., had one-year increases which ranged from 0.04% (or $7 per FTE) in Iowa to 15.4% (or $616 per FTE) in Wyoming.

Figure 4.1A displays the disparity in net tuition revenue per FTE between each state's two- and four-year public sectors. On average, four-year institutions received 119.4% more tuition and fee revenue than two-year institutions. Only Florida is on the figure's left side (the **light blue** bar), with 23.3% higher per-FTE net tuition and fee revenue in the two-year sector. All other states are on the figure's right side (the **dark blue** bars), with relatively higher net tuition revenue per FTE in the four-year sector. Tennessee had the largest disparity in net tuition revenue across sectors, with 189.5% higher net tuition and fee revenue in the four-year sector.

FIGURE 4.1A

PERCENT DIFFERENCE IN TWO-YEAR AND FOUR-YEAR PUBLIC HIGHER EDUCATION NET TUITION REVENUE PER FTE BY STATE, FY 2023



NOTES:

1. Net tuition revenue is calculated by taking the gross amount of tuition and fees, less state and institutional financial aid, tuition waivers or discounts, and medical student tuition and fees.
2. Alaska and the District of Columbia are excluded from this figure because they do not have any public two-year institutions.
3. Sector is determined at the institution level using the Carnegie Basic Classification (carnegieclassifications.acenet.edu). Baccalaureate/ Associate's Colleges and "less-than-two-year" degree-granting institutions not assigned a Carnegie classification are considered two-year institutions.
4. Fiscal year 2023 sector-level net tuition and fee revenue includes estimates for Arkansas, Kentucky, Massachusetts, Oklahoma, and Pennsylvania.

SOURCE: State Higher Education Executive Officers Association

Visit the SHEF website (**shef.sheeo.org**) to download all state- and sector-level data used in this report.

TABLE 4.1A

PUBLIC HIGHER EDUCATION NET TUITION REVENUE PER FTE BY SECTOR AND STATE, FY 2019-2023 (CONSTANT ADJUSTED DOLLARS)

	TWO-YEAR TUITION REVENUE						FOUR-YEAR TUITION REVENUE					
	2019	2022	2023	INDEX TO U.S.	% CHANGE SINCE 2022	% CHANGE SINCE 2019	2019	2022	2023	INDEX TO U.S.	% CHANGE SINCE 2022	% CHANGE SINCE 2019
ALABAMA	$6,219	$6,093	$5,619	2.17	-7.8%	-9.6%	$20,113	$20,044	$19,272	1.88	-3.9%	-4.2%
ALASKA	$-	$-	$-	N/A	N/A	N/A	$5,301	$5,312	$5,008	0.49	-5.7%	-5.5%
ARIZONA	$2,361	$2,229	$2,289	0.88	2.7%	-3.0%	$14,896	$12,391	$13,205	1.29	6.6%	-11.4%
ARKANSAS	$5,063	$4,837	$4,727	1.82	-2.3%	-6.6%	$9,130	$8,906	$9,289	0.90	4.3%	1.7%
CALIFORNIA	$636	$467	$459	0.18	-1.7%	-27.8%	$7,199	$5,933	$5,626	0.55	-5.2%	-21.8%
COLORADO	$4,875	$3,981	$3,632	1.40	-8.8%	-25.5%	$15,793	$16,795	$16,888	1.64	0.6%	6.9%
CONNECTICUT	$6,300	$5,755	$5,116	1.97	-11.1%	-18.8%	$15,429	$14,045	$10,340	1.01	-26.4%	-33.0%
DELAWARE	$6,482	$5,646	$5,599	2.16	-0.8%	-13.6%	$26,653	$25,656	$23,791	2.32	-7.3%	-10.7%
FLORIDA	$3,109	$2,844	$2,820	1.09	-0.9%	-9.3%	$3,007	$2,515	$2,230	0.22	-11.3%	-25.8%
GEORGIA	$3,523	$3,434	$3,333	1.29	-2.9%	-5.4%	$6,760	$6,297	$5,925	0.58	-5.9%	-12.4%
HAWAII	$2,781	$2,347	$2,460	0.95	4.8%	-11.6%	$6,982	$6,675	$6,363	0.62	-4.7%	-8.9%
IDAHO	$3,428	$3,355	$3,208	1.24	-4.4%	-6.4%	$9,979	$11,270	$10,782	1.05	-4.3%	8.0%
ILLINOIS	$6,073	$6,238	$5,863	2.26	-6.0%	-3.5%	$12,074	$11,779	$10,831	1.05	-8.0%	-10.3%
INDIANA	$3,990	$3,402	$3,277	1.26	-3.7%	-17.9%	$14,622	$15,272	$14,912	1.45	-2.4%	2.0%
IOWA	$6,440	$6,064	$5,973	2.30	-1.5%	-7.3%	$16,264	$15,911	$15,918	1.55	0.0%	-2.1%
KANSAS	$3,369	$3,373	$3,054	1.18	-9.5%	-9.4%	$11,715	$10,113	$10,051	0.98	-0.6%	-14.2%
KENTUCKY	$5,345	$5,006	$4,315	1.66	-13.8%	-19.3%	$13,375	$12,707	$11,737	1.14	-7.6%	-12.3%
LOUISIANA	$4,534	$4,841	$4,083	1.57	-15.7%	-10.0%	$6,921	$6,299	$6,698	0.65	6.3%	-3.2%
MAINE	$3,303	$2,661	$1,340	0.52	-49.6%	-59.4%	$9,348	$8,917	$8,482	0.83	-4.9%	-9.3%
MARYLAND	$4,335	$4,128	$3,926	1.51	-4.9%	-9.4%	$11,175	$10,252	$9,989	0.97	-2.6%	-10.6%
MASSACHUSETTS	$3,558	$3,086	$2,876	1.11	-6.8%	-19.2%	$7,334	$6,469	$6,538	0.64	1.1%	-10.8%
MICHIGAN	$7,189	$6,119	$6,357	2.45	3.9%	-11.6%	$21,318	$21,052	$21,202	2.06	0.7%	-0.5%
MINNESOTA	$5,744	$5,571	$5,503	2.12	-1.2%	-4.2%	$14,180	$14,096	$13,910	1.35	-1.3%	-1.9%
MISSISSIPPI	$5,269	$5,371	$5,250	2.03	-2.3%	-0.4%	$12,020	$11,784	$11,584	1.13	-1.7%	-3.6%
MISSOURI	$3,329	$4,005	$4,212	1.62	5.2%	26.5%	$10,450	$10,148	$10,583	1.03	4.3%	1.3%
MONTANA	$1,956	$1,752	$1,628	0.63	-7.1%	-16.8%	$9,883	$9,561	$9,829	0.96	2.8%	-0.6%
NEBRASKA	$3,218	$2,885	$2,779	1.07	-3.7%	-13.6%	$10,311	$9,444	$9,094	0.89	-3.7%	-11.8%
NEVADA	$2,003	$1,898	$1,911	0.74	0.7%	-4.6%	$3,500	$3,859	$3,767	0.37	-2.4%	7.6%
NEW HAMPSHIRE	$5,772	$5,240	$5,014	1.93	-4.3%	-13.1%	$13,591	$12,512	$12,073	1.18	-3.5%	-11.2%
NEW JERSEY	$3,258	$3,305	$2,783	1.07	-15.8%	-14.6%	$11,139	$10,616	$10,216	0.99	-3.8%	-8.3%
NEW MEXICO	$2,177	$2,171	$1,470	0.57	-32.3%	-32.5%	$4,650	$8,084	$4,773	0.46	-41.0%	2.6%
NEW YORK	$4,712	$5,098	$5,192	2.00	1.8%	10.2%	$7,707	$6,832	$7,011	0.68	2.6%	-9.0%
NORTH CAROLINA	$2,125	$1,868	$1,745	0.67	-6.6%	-17.9%	$9,239	$8,356	$8,102	0.79	-3.0%	-12.3%
NORTH DAKOTA	$4,212	$4,029	$3,689	1.42	-8.4%	-12.4%	$11,630	$12,714	$12,373	1.20	-2.7%	6.4%
OHIO	$4,418	$3,397	$3,446	1.33	1.4%	-22.0%	$13,065	$13,268	$13,352	1.30	0.6%	2.2%
OKLAHOMA	$4,614	$4,230	$3,695	1.43	-12.7%	-19.9%	$11,314	$12,123	$12,420	1.21	2.4%	9.8%
OREGON	$3,516	$3,327	$2,869	1.11	-13.8%	-18.4%	$13,111	$14,076	$13,862	1.35	-1.5%	5.7%
PENNSYLVANIA	$5,094	$4,571	$4,349	1.68	-4.9%	-14.6%	$15,839	$14,409	$13,719	1.34	-4.8%	-13.4%
RHODE ISLAND	$5,486	$5,788	$5,813	2.24	0.4%	6.0%	$10,064	$11,803	$10,979	1.07	-7.0%	9.1%
SOUTH CAROLINA	$3,853	$3,583	$2,789	1.08	-22.2%	-27.6%	$17,140	$15,734	$15,750	1.53	0.1%	-8.1%
SOUTH DAKOTA	$4,048	$7,551	$7,198	2.78	-4.7%	77.8%	$11,314	$10,485	$9,987	0.97	-4.7%	-11.7%
TENNESSEE	$2,124	$747	$289	0.11	-61.3%	-86.4%	$11,715	$11,123	$10,731	1.04	-3.5%	-8.4%
TEXAS	$2,483	$2,528	$1,974	0.76	-21.9%	-20.5%	$13,379	$13,742	$12,586	1.23	-8.4%	-5.9%
UTAH	$3,342	$3,621	$3,125	1.21	-13.7%	-6.5%	$8,342	$8,460	$8,252	0.80	-2.5%	-1.1%
VERMONT	$6,826	$4,544	$5,563	2.15	22.4%	-18.5%	$19,620	$17,763	$17,967	1.75	1.2%	-8.4%
VIRGINIA	$4,496	$3,521	$3,196	1.23	-9.2%	-28.9%	$13,099	$12,365	$12,008	1.17	-2.9%	-8.3%
WASHINGTON	$2,764	$2,406	$1,933	0.75	-19.6%	-30.1%	$9,824	$10,755	$11,668	1.14	8.5%	18.8%
WEST VIRGINIA	$4,564	$4,169	$3,926	1.51	-5.8%	-14.0%	$10,244	$10,025	$9,346	0.91	-6.8%	-8.8%
WISCONSIN	$3,301	$2,741	$2,524	0.97	-7.9%	-23.5%	$10,251	$10,153	$10,338	1.01	1.8%	0.9%
WYOMING	$2,977	$3,347	$3,692	1.42	10.3%	24.0%	$5,332	$4,009	$4,625	0.45	15.4%	-13.3%
U.S.	**$3,084**	**$2,776**	**$2,593**	**1.00**	**-6.6%**	**-15.9%**	**$11,057**	**$10,555**	**$10,269**	**1.00**	**-2.7%**	**-7.1%**
D.C.	$-	$-	$-	N/A	N/A	N/A	$6,585	$3,626	$3,978	0.39	9.7%	-39.6%

NOTES:

1. Net tuition revenue is calculated by taking the gross amount of tuition and fees, less state and institutional financial aid, tuition waivers or discounts, and medical student tuition and fees.
2. The U.S. calculation does not include the District of Columbia. There are no two-year public institutions in Alaska or the District of Columbia.
3. The year 2019 is included in this table because it is the starting point of the sector-level SHEF dataset.
4. Sector is determined at the institution level using the Carnegie Basic Classification (carnegieclassifications.acenet.edu). Baccalaureate/Associate's Colleges and "less-than-two-year" degree-granting institutions not assigned a Carnegie classification are considered two-year institutions.
5. Fiscal year 2023 two- and four-year net tuition and fee revenue is estimated for Arkansas, Kentucky, Oklahoma, and Pennsylvania, and two-year net tuition and fee revenue is estimated for Massachusetts.
6. Adjustment factors to arrive at constant dollar figures include Cost of Living Index (COLI) and Higher Education Cost Adjustment (HECA). The COLI is not a measure of inflation over time. The Enrollment Mix Index (EMI) is not applied to sector-level data.

SOURCE: State Higher Education Executive Officers Association

TOTAL EDUCATION REVENUE

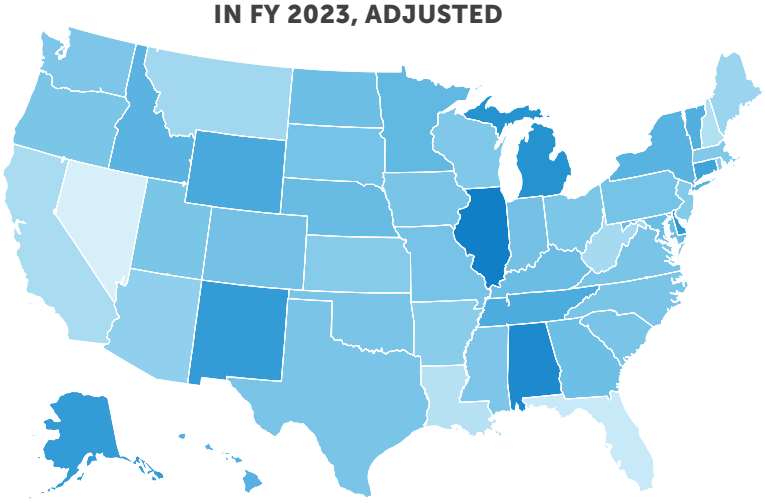
Total education revenue is the sum of education appropriations and net tuition, excluding net tuition revenue used for capital debt service. Visit the SHEF website to view the interactive education revenue map. This map shows total education revenue per FTE across the nation.

Total education revenue increased 0.8% from 2022 to 2023, reaching an all-time high of $18,301 per FTE. Total education revenue has increased in nine of the last 10 years (except 2019) following declines during the Great Recession and has increased 14.4% since 2001 and 45.5% since the start of the SHEF dataset in 1980.

Record high total revenue does not mean that all public institutions have more revenue than ever before. Following declines in state funding after the last two recessions, institutions varied widely in their ability to increase tuition revenue (either by increasing rates or out-of-state enrollment). **Total education revenue is at an all-time high in only 13 states.** Many institutions, particularly those most reliant on state funding and those with a more limited ability to raise tuition rates and attract out-of-state and international students, have not been able to increase tuition revenue to offset declines in state funding and are not at an all-time high for total education revenue.[34]

Excluding federal stimulus funding that states allocated directly to public higher education, total education revenue increased 1.1% from 2022 to 2023. Had enrollment held constant and states not allocated federal stimulus funding to higher education, total education revenue per FTE would have increased only 0.6% from 2022, but decreased 2.3% from 2020.

TOTAL EDUCATION REVENUE PER FTE IN FY 2023, ADJUSTED



34. State Higher Education Executive Officers Association. (2021). *Investigating the impacts of state higher education appropriations and financial aid.* sheeo.org/wp-content/uploads/2021/05/SHEEO_ImpactAppropationsFinancialAid.pdf

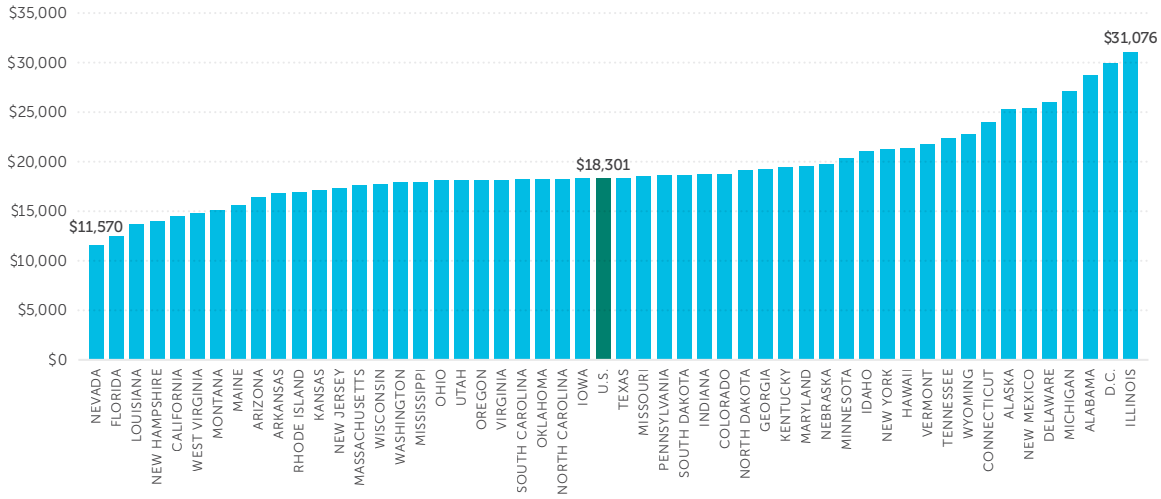
1. STATE COMPARISONS

In fiscal year 2023, total education revenue per FTE ranged from a low of $11,570 in Nevada to a high of $31,076 in Illinois (*Figure 4.2).*[35]

- Public institutions in 14 states and Washington, D.C., had more than $20,000 per FTE in education revenue. Of these states, education revenues came mainly from tuition and fees in Delaware, Michigan, and Vermont. Education revenues came from mixed sources in Alabama and Minnesota, while revenues primarily came from education appropriations in the other nine states and Washington, D.C.
- Total education revenue per FTE decreased in half of all states and Washington, D.C., from 2022 to 2023 (*Table 4.2).* Declines ranged from 0.6% (or $122 per FTE) in Nebraska to 12.2% (or $3,338 per FTE) in Connecticut.
- Total education revenue increased in the other half of all states in 2023. Year-over-year increases ranged from 0.3% (or $62 per FTE) in Virginia to 18.2% (or $4,412 per FTE) in Alabama.
- Since 1980, inflation-adjusted total education revenue per FTE declined in only two states, Alaska (9.8%) and Nevada (7.2%).

FIGURE 4.2

PUBLIC HIGHER EDUCATION TOTAL EDUCATION REVENUE PER FTE BY STATE, FY 2023 (ADJUSTED)



NOTES:

1. Total education revenue is the sum of education appropriations and net tuition, excluding net tuition revenue used for capital debt service. Total education revenue includes federal stimulus funding.
2. The U.S. calculation does not include the District of Columbia.
3. Fiscal year 2023 total education revenue includes estimated federal stimulus for Kentucky and estimated net tuition and fee revenue for Arkansas, Kentucky, Massachusetts, Oklahoma, and Pennsylvania.
4. Adjustment factors to arrive at constant dollar figures include Cost of Living Index (COLI) and Enrollment Mix Index (EMI). The COLI is not a measure of inflation over time.

SOURCE: State Higher Education Executive Officers Association

35. Each year, approximately one-third of education appropriations in Illinois go toward the state's retirement pension system. See the Illinois State Spotlight for more details.

TABLE 4.2

PUBLIC HIGHER EDUCATION TOTAL EDUCATION REVENUE PER FTE BY STATE, FY 1980-2023 (CONSTANT ADJUSTED DOLLARS)

	1980	2001	2013	2018	2022	2023	% CHANGE SINCE 2022	% CHANGE SINCE 2018	% CHANGE SINCE 2013	% CHANGE SINCE 2001	% CHANGE SINCE 1980
ALABAMA	$11,119	$16,648	$19,884	$22,924	$24,280	$28,692	18.2%	25.2%	44.3%	72.3%	158.0%
ALASKA	$28,059	$19,182	$22,593	$22,589	$24,642	$25,300	2.7%	12.0%	12.0%	31.9%	-9.8%
ARIZONA	$11,284	$14,373	$14,449	$15,968	$15,290	$16,419	7.4%	2.8%	13.6%	14.2%	45.5%
ARKANSAS	$13,786	$15,082	$14,359	$15,989	$17,040	$16,846	-1.1%	5.4%	17.3%	11.7%	22.2%
CALIFORNIA	$9,986	$11,350	$10,826	$13,272	$14,258	$14,518	1.8%	9.4%	34.1%	27.9%	45.4%
COLORADO	$9,757	$12,798	$13,468	$16,948	$19,340	$18,726	-3.2%	10.5%	39.0%	46.3%	91.9%
CONNECTICUT	$11,454	$23,626	$20,310	$22,944	$27,268	$23,929	-12.2%	4.3%	17.8%	1.3%	108.9%
DELAWARE	$14,593	$22,717	$26,376	$27,330	$28,519	$25,937	-9.1%	-5.1%	-1.7%	14.2%	77.7%
FLORIDA	$9,551	$15,084	$10,129	$12,212	$12,368	$12,490	1.0%	2.3%	23.3%	-17.2%	30.8%
GEORGIA	$12,968	$19,226	$15,115	$17,612	$19,990	$19,220	-3.9%	9.1%	27.2%	0.0%	48.2%
HAWAII	$11,286	$12,832	$14,437	$18,971	$19,689	$21,378	8.6%	12.7%	48.1%	66.6%	89.4%
IDAHO	$16,089	$19,128	$15,707	$19,799	$19,882	$21,056	5.9%	6.3%	34.1%	10.1%	30.9%
ILLINOIS	$12,401	$19,284	$25,066	$27,403	$32,431	$31,076	-4.2%	13.4%	24.0%	61.1%	150.6%
INDIANA	$14,952	$18,316	$18,530	$18,969	$19,512	$18,717	-4.1%	-1.3%	1.0%	2.2%	25.2%
IOWA	$15,319	$19,517	$18,241	$18,182	$18,512	$18,299	-1.2%	0.6%	0.3%	-6.2%	19.5%
KANSAS	$14,074	$17,205	$15,527	$15,887	$16,610	$17,098	2.9%	7.6%	10.1%	-0.6%	21.5%
KENTUCKY	$14,745	$20,229	$19,661	$19,543	$19,661	$19,441	-1.1%	-0.5%	-1.1%	-3.9%	31.8%
LOUISIANA	$12,599	$12,301	$12,458	$13,067	$13,415	$13,662	1.8%	4.6%	9.7%	11.1%	8.4%
MAINE	$10,614	$16,916	$15,246	$15,515	$15,778	$15,575	-1.3%	0.4%	2.2%	-7.9%	46.7%
MARYLAND	$10,861	$17,067	$15,572	$17,202	$18,110	$19,480	7.6%	13.2%	25.1%	14.1%	79.4%
MASSACHUSETTS	$11,463	$16,788	$13,274	$15,788	$16,214	$17,608	8.6%	11.5%	32.7%	4.9%	53.6%
MICHIGAN	$16,136	$22,319	$21,857	$25,010	$27,034	$27,134	0.4%	8.5%	24.1%	21.6%	68.2%
MINNESOTA	$14,387	$16,892	$17,366	$19,939	$20,901	$20,355	-2.6%	2.1%	17.2%	20.5%	41.5%
MISSISSIPPI	$13,269	$16,664	$15,809	$16,262	$16,914	$17,945	6.1%	10.4%	13.5%	7.7%	35.2%
MISSOURI	$15,181	$19,532	$16,153	$16,022	$20,191	$18,526	-8.2%	15.6%	14.7%	-5.2%	22.0%
MONTANA	$10,799	$11,546	$12,780	$14,271	$14,831	$15,091	1.8%	5.7%	18.1%	30.7%	39.7%
NEBRASKA	$12,657	$14,556	$16,982	$19,000	$19,887	$19,765	-0.6%	4.0%	16.4%	35.8%	56.2%
NEVADA	$12,468	$13,624	$13,115	$13,185	$11,735	$11,570	-1.4%	-12.2%	-11.8%	-15.1%	-7.2%
NEW HAMPSHIRE	$11,452	$16,688	$13,691	$14,148	$14,364	$13,951	-2.9%	-1.4%	1.9%	-16.4%	21.8%
NEW JERSEY	$11,055	$19,472	$18,032	$18,810	$17,457	$17,306	-0.9%	-8.0%	-4.0%	-11.1%	56.5%
NEW MEXICO	$14,331	$13,923	$14,432	$17,808	$24,176	$25,348	4.8%	42.3%	75.6%	82.1%	76.9%
NEW YORK	$15,201	$16,387	$16,965	$19,514	$20,218	$21,272	5.2%	9.0%	25.4%	29.8%	39.9%
NORTH CAROLINA	$13,768	$18,329	$16,839	$18,293	$18,498	$18,262	-1.3%	-0.2%	8.5%	-0.4%	32.6%
NORTH DAKOTA	$11,904	$13,118	$17,947	$18,721	$20,016	$19,139	-4.4%	2.2%	6.6%	45.9%	60.8%
OHIO	$13,833	$18,858	$17,410	$19,381	$17,653	$18,073	2.4%	-6.8%	3.8%	-4.2%	30.7%
OKLAHOMA	$11,949	$14,871	$15,650	$16,637	$17,804	$18,238	2.4%	9.6%	16.5%	22.6%	52.6%
OREGON	$10,769	$13,651	$12,715	$15,192	$18,530	$18,115	-2.2%	19.2%	42.5%	32.7%	68.2%
PENNSYLVANIA	$16,244	$21,519	$17,049	$18,175	$18,303	$18,592	1.6%	2.3%	9.0%	-13.6%	14.5%
RHODE ISLAND	$14,788	$17,516	$14,425	$15,857	$17,611	$16,891	-4.1%	6.5%	17.1%	-3.6%	14.2%
SOUTH CAROLINA	$13,449	$14,329	$14,960	$19,369	$18,444	$18,203	-1.3%	-6.0%	21.7%	27.0%	35.4%
SOUTH DAKOTA	$14,302	$15,889	$15,802	$16,642	$17,676	$18,599	5.2%	11.8%	17.7%	17.1%	30.0%
TENNESSEE	$12,953	$15,808	$16,463	$19,108	$19,753	$22,316	13.0%	16.8%	35.6%	41.2%	72.3%
TEXAS	$11,478	$16,423	$14,777	$17,556	$19,305	$18,320	-5.1%	4.4%	24.0%	11.6%	59.6%
UTAH	$13,819	$13,065	$13,528	$16,189	$17,450	$18,094	3.7%	11.8%	33.8%	38.5%	30.9%
VERMONT	$13,384	$19,279	$20,233	$20,795	$22,396	$21,705	-3.1%	4.4%	7.3%	12.6%	62.2%
VIRGINIA	$11,343	$15,808	$15,000	$16,562	$18,090	$18,152	0.3%	9.6%	21.0%	14.8%	60.0%
WASHINGTON	$12,270	$12,286	$12,478	$14,516	$17,018	$17,924	5.3%	23.5%	43.6%	45.9%	46.1%
WEST VIRGINIA	$11,173	$12,636	$13,659	$14,361	$15,899	$14,788	-7.0%	3.0%	8.3%	17.0%	32.4%
WISCONSIN	$15,786	$17,527	$16,506	$16,919	$17,988	$17,736	-1.4%	4.8%	7.5%	1.2%	12.4%
WYOMING	$19,718	$17,651	$22,795	$23,533	$21,801	$22,801	4.6%	-3.1%	0.0%	29.2%	15.6%
U.S.	**$12,579**	**$16,001**	**$15,238**	**$17,189**	**$18,164**	**$18,301**	**0.8%**	**6.5%**	**20.1%**	**14.4%**	**45.5%**
D.C.	N/A	N/A	$25,089	$26,296	$31,941	$29,949	-6.2%	13.9%	19.4%	N/A	N/A

NOTES:

1. Total education revenue is the sum of education appropriations and net tuition, excluding net tuition revenue used for capital debt service. Total education revenue includes federal stimulus funding.
2. The U.S. calculation does not include the District of Columbia. Data for the District of Columbia are not available prior to 2011.
3. The years 1980 and 2001 are included in this table because they are the starting points of the historical SHEF dataset and modern SHEF data collection, respectively.
4. Fiscal year 2023 total education revenue includes estimated federal stimulus for Kentucky and estimated net tuition and fee revenue for Arkansas, Kentucky, Massachusetts, Oklahoma, and Pennsylvania.
5. Each year, approximately one-third of education appropriations, a component of total education revenue, in Illinois go toward the state's retirement pension system. See the Illinois State Spotlight for more details.
6. Texas developed a new methodology to capture state funding to institutions of higher education and updated FTE enrollment starting in 2017. Years prior to 2017 do not reflect this new methodology, which may affect some year-to-year comparisons.
7. Adjustment factors to arrive at constant dollar figures include Cost of Living Index (COLI), Enrollment Mix Index (EMI), and Higher Education Cost Adjustment (HECA). The COLI is not a measure of inflation over time.

SOURCE: State Higher Education Executive Officers Association

2. SECTOR COMPARISONS

Table 4.2A presents new data on total education revenue per FTE for the two- and four-year public sectors separately.

At two-year public institutions, total education revenue averaged $13,061 per FTE, down 0.1% from 2022. Total revenue ranged from $8,074 in Montana to $25,420 in Alabama.[36]

Two-year total education revenue declined in 29 states from 2022 to 2023. Decreases ranged from 0.2% (or $30 per FTE) in Delaware to 16.8% (or $3,280 per FTE) in New Mexico. Of the 20 states with increases, year-over-year percent changes ranged from 1.0% (or $144 per FTE) in Maryland to 53.7% ($8,883 per FTE) in Alabama. The large increase in Alabama is an outlier, as the change is 26.3 percentage points higher than in Tennessee (27.4%), which had the second largest increase.[37]

Total education revenue at four-year institutions averaged $20,373 in 2023, a 0.6% increase from 2022. **Four-year institutions had, on average, 1.6 times the amount of total revenue per FTE of two-year institutions.** Nevada had the lowest revenue of $12,826 per FTE. While more than half of all states and Washington, D.C., had total revenue greater than $20,000, Illinois had the largest total revenue of $34,343 per FTE.[38]

Between 2022 and 2023, four-year total education revenue decreased in 22 states and Washington, D.C. Declines ranged from 0.05% (or $8 per FTE) in South Dakota to 19.9% (or $5,553 per FTE) in Connecticut.

Figure 4.2A displays the disparity in total education revenue per FTE between each state's two-year and four-year public sectors. Connecticut (4.7%) and Wisconsin (2.1%)[39] are the only states on the figure's left side (the **light blue** bar), meaning they had a higher total education revenue in the two-year sector in 2023. All other states are on the figure's right side (the **dark blue** bars), with relatively higher total education revenue per FTE in the four-year sector. New Jersey had the largest disparity in total education revenue across sectors, where four-year institutions had 2.5 times the total revenue of two-year institutions.

36. The large increase in fiscal year 2023 education appropriations for Alabama is, at least, in part due to a one-time supplemental appropriation.

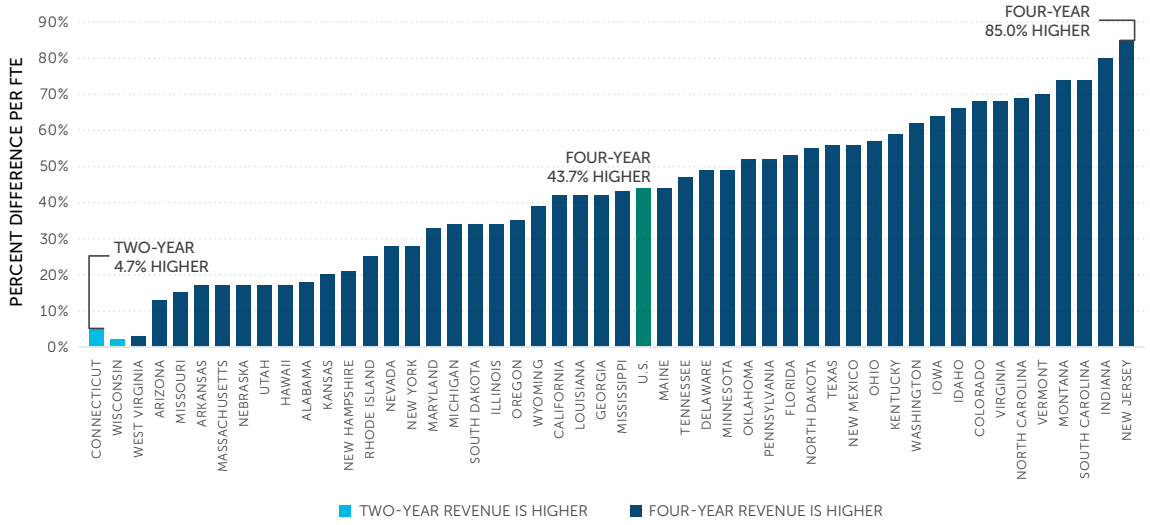
37. Ibid.

38. Each year, approximately one-third of education appropriations in Illinois go toward the state's retirement pension system. See the Illinois State Spotlight for more details.

39. Wisconsin has 16 technical colleges in the Wisconsin Technical College System (WTCS). There are several nuances that must be considered when comparing total education revenue for two- and four-year institutions in Wisconsin. This primarily includes, but is not limited to, technical education programs requiring costly equipment and smaller class sizes. Additionally, like many other two-year colleges, WTCS institutions educate a large number of part-time students. For a more detailed description of contextual factors related to total education revenue and per student spending at WTCS institutions, see this 2024 report by the Wisconsin Policy Forum.

FIGURE 4.2A

PERCENT DIFFERENCE IN TWO-YEAR AND FOUR-YEAR PUBLIC HIGHER EDUCATION TOTAL EDUCATION REVENUE PER FTE BY STATE, FY 2023



NOTES:

1. Total education revenue is the sum of education appropriations and net tuition, excluding net tuition revenue used for capital debt service. Sector-level total education revenue includes any portion of federal stimulus funding allocated specifically to each sector.
2. Alaska and the District of Columbia are excluded from this figure because they do not have any public two-year institutions.
3. Sector is determined at the institution level using the Carnegie Basic Classification (carnegieclassifications.acenet.edu). Baccalaureate/Associate's Colleges and "less-than-two-year" degree-granting institutions not assigned a Carnegie classification are considered two-year institutions.
4. Fiscal year 2023 sector-level total education revenue includes estimated federal stimulus for Kentucky, estimated two- and four-year public financial aid for Pennsylvania, estimated two- and four-year net tuition and fee revenue for Arkansas, Kentucky, Oklahoma, and Pennsylvania, and estimated two-year net tuition and fee revenue for Massachusetts.

SOURCE: State Higher Education Executive Officers Association

TABLE 4.2A

PUBLIC HIGHER EDUCATION TOTAL EDUCATION REVENUE PER FTE BY SECTOR AND STATE, FY 2019-2023 (CONSTANT ADJUSTED DOLLARS)

	TWO-YEAR TOTAL REVENUE						FOUR-YEAR TOTAL REVENUE					
	2019	2022	2023	INDEX TO U.S.	% CHANGE SINCE 2022	% CHANGE SINCE 2019	2019	2022	2023	INDEX TO U.S.	% CHANGE SINCE 2022	% CHANGE SINCE 2019
ALABAMA	$13,840	$16,537	$25,420	1.95	53.7%	83.7%	$26,834	$27,707	$30,554	1.50	10.3%	13.9%
ALASKA	$-	$-	$-	N/A	N/A	N/A	$22,878	$23,959	$24,598	1.21	2.7%	7.5%
ARIZONA	$13,255	$15,553	$15,230	1.17	-2.1%	14.9%	$18,280	$15,520	$17,298	0.85	11.5%	-5.4%
ARKANSAS	$13,501	$14,346	$14,145	1.08	-1.4%	4.8%	$17,002	$17,600	$16,767	0.82	-4.7%	-1.4%
CALIFORNIA	$10,209	$11,066	$10,752	0.82	-2.8%	5.3%	$16,566	$16,033	$16,444	0.81	2.6%	-0.7%
COLORADO	$11,697	$12,347	$11,276	0.86	-8.7%	-3.6%	$20,480	$22,310	$22,885	1.12	2.6%	11.7%
CONNECTICUT	$16,271	$20,726	$23,446	1.80	13.1%	44.1%	$26,418	$27,927	$22,374	1.10	-19.9%	-15.3%
DELAWARE	$16,622	$17,825	$17,795	1.36	-0.2%	7.1%	$32,614	$33,025	$29,295	1.44	-11.3%	-10.2%
FLORIDA	$8,510	$9,006	$9,233	0.71	2.5%	8.5%	$16,409	$15,776	$15,880	0.78	0.7%	-3.2%
GEORGIA	$11,392	$13,178	$13,023	1.00	-1.2%	14.3%	$18,363	$20,918	$20,019	0.98	-4.3%	9.0%
HAWAII	$14,496	$15,748	$17,733	1.36	12.6%	22.3%	$21,685	$19,642	$21,120	1.04	7.5%	-2.6%
IDAHO	$9,657	$10,108	$10,276	0.79	1.7%	6.4%	$20,357	$20,475	$20,366	1.00	-0.5%	0.0%
ILLINOIS	$19,993	$23,836	$24,338	1.86	2.1%	21.7%	$33,153	$35,570	$34,343	1.69	-3.4%	3.6%
INDIANA	$10,421	$9,992	$9,274	0.71	-7.2%	-11.0%	$22,237	$22,313	$21,644	1.06	-3.0%	-2.7%
IOWA	$11,737	$12,448	$12,188	0.93	-2.1%	3.8%	$23,893	$23,778	$23,639	1.16	-0.6%	-1.1%
KANSAS	$13,295	$15,212	$15,065	1.15	-1.0%	13.3%	$18,595	$17,435	$18,323	0.90	5.1%	-1.5%
KENTUCKY	$11,993	$12,255	$11,952	0.92	-2.5%	-0.3%	$22,137	$22,542	$21,905	1.08	-2.8%	-1.0%
LOUISIANA	$8,696	$9,833	$8,992	0.69	-8.5%	3.4%	$14,126	$13,667	$13,784	0.68	0.9%	-2.4%
MAINE	$11,623	$12,254	$11,449	0.88	-6.6%	-1.5%	$17,548	$17,561	$17,978	0.88	2.4%	2.5%
MARYLAND	$12,932	$15,020	$15,164	1.16	1.0%	17.3%	$20,233	$19,345	$21,218	1.04	9.7%	4.9%
MASSACHUSETTS	$11,056	$13,267	$15,188	1.16	14.5%	37.4%	$16,706	$16,918	$18,078	0.89	6.9%	8.2%
MICHIGAN	$18,242	$19,925	$21,079	1.61	5.8%	15.5%	$28,674	$30,401	$29,594	1.45	-2.7%	3.2%
MINNESOTA	$13,239	$14,468	$14,166	1.08	-2.1%	7.0%	$23,194	$23,730	$23,470	1.15	-1.1%	1.2%
MISSISSIPPI	$12,326	$13,250	$13,592	1.04	2.6%	10.3%	$19,518	$19,602	$21,113	1.04	7.7%	8.2%
MISSOURI	$10,966	$17,380	$16,371	1.25	-5.8%	49.3%	$18,836	$20,919	$18,980	0.93	-9.3%	0.8%
MONTANA	$8,152	$8,671	$8,074	0.62	-6.9%	-1.0%	$16,911	$17,046	$17,540	0.86	2.9%	3.7%
NEBRASKA	$15,865	$18,231	$17,090	1.31	-6.3%	7.7%	$20,817	$20,660	$20,346	1.00	-1.5%	-2.3%
NEVADA	$8,841	$8,919	$9,698	0.74	8.7%	9.7%	$13,567	$13,547	$12,826	0.63	-5.3%	-5.5%
NEW HAMPSHIRE	$10,939	$12,455	$12,261	0.94	-1.6%	12.1%	$16,201	$15,714	$15,207	0.75	-3.2%	-6.1%
NEW JERSEY	$7,899	$8,840	$8,270	0.63	-6.4%	4.7%	$19,703	$20,296	$20,495	1.01	1.0%	4.0%
NEW MEXICO	$13,755	$19,561	$16,281	1.25	-16.8%	18.4%	$22,599	$26,999	$28,995	1.42	7.4%	28.3%
NEW YORK	$14,762	$16,840	$17,190	1.32	2.1%	16.5%	$22,794	$21,442	$22,846	1.12	6.5%	0.2%
NORTH CAROLINA	$11,323	$11,869	$11,269	0.86	-5.1%	-0.5%	$23,387	$22,644	$23,130	1.14	2.1%	-1.1%
NORTH DAKOTA	$12,320	$12,785	$11,769	0.90	-7.9%	-4.5%	$19,988	$21,297	$20,578	1.01	-3.4%	3.0%
OHIO	$13,184	$10,878	$11,565	0.89	6.3%	-12.3%	$19,979	$20,678	$20,758	1.02	0.4%	3.9%
OKLAHOMA	$11,357	$11,723	$11,888	0.91	1.4%	4.7%	$19,077	$19,728	$20,232	0.99	2.6%	6.1%
OREGON	$11,538	$14,816	$14,269	1.09	-3.7%	23.7%	$18,273	$20,681	$20,312	1.00	-1.8%	11.2%
PENNSYLVANIA	$11,238	$12,176	$12,145	0.93	-0.3%	8.1%	$21,479	$20,304	$20,739	1.02	2.1%	-3.4%
RHODE ISLAND	$11,522	$13,680	$13,388	1.03	-2.1%	16.2%	$15,647	$18,039	$17,243	0.85	-4.4%	10.2%
SOUTH CAROLINA	$11,233	$11,100	$10,251	0.78	-7.6%	-8.7%	$22,109	$21,993	$22,378	1.10	1.7%	1.2%
SOUTH DAKOTA	$9,527	$11,857	$12,133	0.93	2.3%	27.4%	$17,472	$17,115	$17,107	0.84	0.0%	-2.1%
TENNESSEE	$12,242	$11,551	$14,718	1.13	27.4%	20.2%	$22,844	$22,903	$23,811	1.17	4.0%	4.2%
TEXAS	$10,043	$11,503	$11,060	0.85	-3.9%	10.1%	$20,783	$21,128	$19,591	0.96	-7.3%	-5.7%
UTAH	$13,803	$15,071	$15,747	1.21	4.5%	14.1%	$17,352	$18,059	$18,754	0.92	3.9%	8.1%
VERMONT	$9,840	$10,577	$10,694	0.82	1.1%	8.7%	$21,935	$22,307	$22,246	1.09	-0.3%	1.4%
VIRGINIA	$9,968	$10,336	$10,454	0.80	1.1%	4.9%	$20,280	$20,831	$21,243	1.04	2.0%	4.8%
WASHINGTON	$10,192	$11,952	$12,230	0.94	2.3%	20.0%	$19,107	$21,633	$23,166	1.14	7.1%	21.2%
WEST VIRGINIA	$12,230	$14,803	$14,205	1.09	-4.0%	16.1%	$15,020	$15,592	$14,613	0.72	-6.3%	-2.7%
WISCONSIN	$16,711	$18,151	$17,386	1.33	-4.2%	4.0%	$16,498	$17,030	$17,031	0.84	0.0%	3.2%
WYOMING	$21,818	$18,097	$17,599	1.35	-2.8%	-19.3%	$26,342	$23,668	$26,072	1.28	10.2%	-1.0%
U.S.	**$11,884**	**$13,076**	**$13,061**	**1.00**	**-0.1%**	**9.9%**	**$20,085**	**$20,244**	**$20,373**	**1.00**	**0.6%**	**1.4%**
D.C.	$-	$-	$-	N/A	N/A	N/A	$26,814	$30,621	$28,953	1.42	-5.4%	8.0%

NOTES:

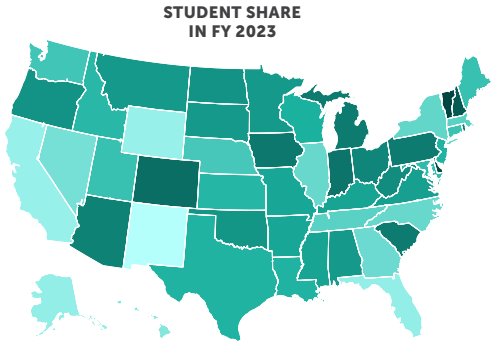
1. Total education revenue is the sum of education appropriations and net tuition, excluding net tuition revenue used for capital debt service. Sector-level total education revenue includes any portion of federal stimulus funding allocated specifically to each sector.
2. The U.S. calculation does not include the District of Columbia. There are no two-year public institutions in Alaska or the District of Columbia.
3. The year 2019 is included in this table because it is the starting point of the sector-level SHEF dataset.
4. Sector is determined at the institution level using the Carnegie Basic Classification (carnegieclassifications.acenet.edu). Baccalaureate/Associate's Colleges and "less-than-two-year" degree-granting institutions not assigned a Carnegie classification are considered two-year institutions.
5. Fiscal year 2023 sector-level total education revenue includes estimated federal stimulus for Kentucky and estimated two- and four-year net tuition and fee revenue for Arkansas, Kentucky, Massachusetts, Oklahoma, and Pennsylvania.
6. Each year, approximately one-third of education appropriations in Illinois go toward the state's retirement pension system. See the Illinois State Spotlight for more details.
7. Adjustment factors to arrive at constant dollar figures include Cost of Living Index (COLI) and Higher Education Cost Adjustment (HECA). The COLI is not a measure of inflation over time. The Enrollment Mix Index (EMI) is not applied to sector-level data.

SOURCE: State Higher Education Executive Officers Association

STUDENT SHARE

Net tuition as a percentage of total education revenue (the student share) shows the overall reliance of public institutions on tuition as a revenue source. Net tuition excludes state and institutional financial aid but does not exclude federal financial aid or loans. Visit the SHEF website to view the interactive student share map. This map shows the student share for students attending two- and four-year institutions across the nation.

The student share has increased substantially over time due to volatility in education appropriations and net tuition revenue increases. In 1980 (the earliest available data), the student share was 20.9%. By 2001 (the start of the modern SHEF data collection and a pre-recession high point in education appropriations), the student share had already increased to 29.0%. In 2023, the U.S. average student share was 40.2%. This means that, on average, 40.2% of revenues at public institutions came from student tuition and fees. Excluding federal stimulus funding, the student share in 2023 was 40.5%.



1. STATE COMPARISONS

There is wide variation in the student share across states. From fiscal years 2017 to 2020, the student share was above 50% in at least half of all states (25 states in 2017 and 2020; 26 states in 2018 and 2019). Starting in 2021, the student share was greater than 50% in less than half of states. However, excluding federal stimulus funding, 25 states still had a student share higher than 50%. Both including and excluding federal stimulus, 21 states had a student share greater than 50% after Kentucky and Mississippi both decreased their student share from 52.9% in 2022 to 48.7% and 49.0%, respectively, in 2023 (*Figure 4.3)*.

From 2022 to 2023, student share decreased in 35 states and increased in 15 states and Washington, D.C. Declines in student share ranged from 0.07 percentage points in Nevada to 12.7 percentage points in Alabama. Student share increases ranged from 0.002 percentage points in West Virginia to 5.8 percentage points in Missouri (*Table 4.3)*

The student share in 2023 is less than it was five years ago in all but four states (Indiana, North Dakota, Oklahoma, and Wyoming). In total, only three states had a lower student share in 2023 than in 2001 (3.7 percentage points less in Florida, 1.4 in Tennessee, and 2.7 in Wyoming) and two had a lower student share in 2023 than in 1980 (0.4 percentage points less in Florida and 2.7 less in New Mexico).

TABLE 4.3

NET TUITION AS A PERCENTAGE OF TOTAL EDUCATION REVENUE BY STATE, FY 1980-2023

	1980	2001	2013	2018	2022	2023	CHANGE SINCE 2022	CHANGE SINCE 2018	CHANGE SINCE 2013	CHANGE SINCE 2001	CHANGE SINCE 1980
ALABAMA	26.7%	42.4%	67.4%	70.6%	65.2%	52.5%	-12.7	-18.1	-14.9	10.1	25.8
ALASKA	9.4%	18.2%	22.7%	23.8%	22.1%	20.3%	-1.8	-3.4	-2.3	2.1	10.9
ARIZONA	21.3%	32.8%	55.0%	61.9%	60.6%	59.5%	-1.1	-2.4	4.5	26.7	38.2
ARKANSAS	23.5%	25.4%	40.6%	49.5%	45.6%	47.7%	2.1	-1.8	7.1	22.3	24.2
CALIFORNIA	7.5%	10.8%	30.1%	28.2%	20.0%	18.7%	-1.3	-9.4	-11.4	7.9	11.2
COLORADO	36.6%	41.6%	72.1%	70.6%	63.5%	64.7%	1.2	-5.8	-7.4	23.2	28.1
CONNECTICUT	21.4%	25.4%	44.4%	54.0%	42.9%	37.9%	-5.0	-16.1	-6.5	12.5	16.5
DELAWARE	37.9%	53.9%	73.5%	75.5%	71.5%	74.6%	3.0	-1.0	1.0	20.7	36.7
FLORIDA	20.1%	23.4%	40.7%	27.9%	21.2%	19.7%	-1.5	-8.2	-21.0	-3.7	-0.4
GEORGIA	18.2%	15.1%	38.8%	35.4%	28.2%	27.6%	-0.5	-7.7	-11.2	12.5	9.4
HAWAII	8.5%	19.6%	33.6%	27.3%	25.2%	22.7%	-2.6	-4.6	-10.9	3.1	14.1
IDAHO	14.4%	23.5%	45.8%	44.6%	46.8%	42.3%	-4.4	-2.3	-3.5	18.9	27.9
ILLINOIS	16.4%	18.6%	32.8%	34.9%	29.6%	28.6%	-0.9	-6.3	-4.2	10.0	12.2
INDIANA	27.6%	41.4%	62.9%	62.0%	62.6%	62.9%	0.3	0.9	0.0	21.4	35.3
IOWA	24.5%	35.2%	59.9%	64.6%	61.5%	61.9%	0.4	-2.7	1.9	26.7	37.4
KANSAS	23.2%	28.4%	48.9%	51.7%	45.2%	43.0%	-2.3	-8.7	-6.0	14.5	19.8
KENTUCKY	20.6%	29.8%	54.2%	56.6%	52.9%	48.7%	-4.2	-7.9	-5.5	18.9	28.1
LOUISIANA	18.5%	26.3%	43.8%	47.8%	44.3%	44.2%	-0.2	-3.6	0.4	17.8	25.6
MAINE	32.1%	37.2%	53.1%	47.9%	45.1%	39.3%	-5.8	-8.6	-13.8	2.1	7.2
MARYLAND	26.4%	37.2%	52.3%	49.1%	45.9%	41.2%	-4.7	-7.9	-11.1	4.1	14.8
MASSACHUSETTS	22.8%	29.0%	46.2%	44.1%	34.7%	32.0%	-2.7	-12.1	-14.2	3.0	9.2
MICHIGAN	29.7%	37.7%	67.3%	66.7%	60.8%	61.3%	0.5	-5.4	-5.9	23.6	31.7
MINNESOTA	18.4%	29.7%	61.7%	54.6%	51.7%	52.3%	0.5	-2.4	-9.4	22.6	33.8
MISSISSIPPI	25.8%	28.1%	48.2%	54.0%	52.9%	49.0%	-4.0	-5.1	0.8	20.8	23.2
MISSOURI	22.0%	27.5%	50.2%	48.4%	41.9%	47.7%	5.8	-0.7	-2.5	20.2	25.7
MONTANA	20.8%	42.9%	55.6%	54.8%	52.1%	52.2%	0.1	-2.6	-3.4	9.3	31.4
NEBRASKA	22.3%	32.8%	42.1%	41.3%	37.0%	35.6%	-1.4	-5.7	-6.5	2.8	13.3
NEVADA	19.0%	22.4%	33.1%	32.7%	25.8%	25.8%	-0.1	-7.0	-7.4	3.4	6.8
NEW HAMPSHIRE	54.3%	65.4%	84.9%	78.0%	71.9%	71.4%	-0.5	-6.6	-13.5	6.0	17.1
NEW JERSEY	19.9%	38.6%	53.3%	57.3%	46.8%	44.3%	-2.5	-13.0	-9.0	5.7	24.4
NEW MEXICO	16.1%	12.5%	22.1%	24.9%	23.2%	13.4%	-9.8	-11.5	-8.7	0.9	-2.7
NEW YORK	19.6%	29.7%	35.7%	33.5%	31.2%	30.4%	-0.9	-3.1	-5.4	0.7	10.7
NORTH CAROLINA	16.5%	18.9%	31.0%	34.4%	30.2%	29.0%	-1.2	-5.3	-2.0	10.1	12.6
NORTH DAKOTA	22.6%	40.4%	49.6%	52.3%	53.5%	54.0%	0.4	1.7	4.4	13.6	31.4
OHIO	32.8%	40.9%	63.8%	60.8%	57.4%	57.6%	0.2	-3.2	-6.2	16.7	24.7
OKLAHOMA	19.8%	21.3%	41.7%	51.8%	54.2%	53.4%	-0.8	1.6	11.7	32.1	33.6
OREGON	24.8%	35.9%	62.3%	60.2%	53.7%	53.6%	-0.2	-6.6	-8.7	17.7	28.8
PENNSYLVANIA	32.0%	48.7%	69.6%	70.7%	64.7%	60.6%	-4.2	-10.1	-9.0	11.9	28.6
RHODE ISLAND	23.4%	44.0%	63.5%	61.2%	60.5%	59.2%	-1.4	-2.1	-4.4	15.1	35.8
SOUTH CAROLINA	19.4%	38.1%	66.1%	69.2%	62.5%	61.2%	-1.3	-8.0	-4.9	23.1	41.8
SOUTH DAKOTA	27.4%	46.0%	60.4%	59.2%	57.9%	52.4%	-5.5	-6.8	-8.0	6.4	24.9
TENNESSEE	22.5%	33.6%	48.1%	43.8%	37.6%	32.2%	-5.4	-11.6	-15.9	-1.4	9.6
TEXAS	18.6%	34.0%	40.7%	47.9%	46.3%	43.6%	-2.7	-4.3	2.9	9.6	25.0
UTAH	19.9%	26.6%	48.3%	45.3%	42.4%	39.5%	-2.9	-5.8	-8.8	12.8	19.5
VERMONT	62.3%	76.8%	85.6%	87.9%	73.3%	77.1%	3.8	-10.8	-8.5	0.3	14.8
VIRGINIA	24.1%	32.3%	60.9%	59.7%	52.2%	50.3%	-1.9	-9.4	-10.6	18.1	26.3
WASHINGTON	20.3%	23.6%	49.9%	43.7%	38.6%	37.3%	-1.3	-6.4	-12.6	13.8	17.0
WEST VIRGINIA	19.0%	39.2%	54.9%	65.8%	56.2%	56.2%	0.0	-9.6	1.4	17.0	37.2
WISCONSIN	26.3%	25.8%	44.0%	46.3%	44.0%	44.7%	0.7	-1.6	0.7	18.8	18.4
WYOMING	14.0%	21.6%	13.7%	17.5%	17.5%	18.9%	1.4	1.4	5.2	-2.7	4.9
U.S.	**20.9%**	**29.0%**	**47.5%**	**47.2%**	**41.9%**	**40.2%**	**-1.7**	**-7.0**	**-7.4**	**11.2**	**19.3**
D.C.	N/A	N/A	24.2%	27.8%	11.7%	13.7%	2.0	-14.0	-10.5	N/A	N/A

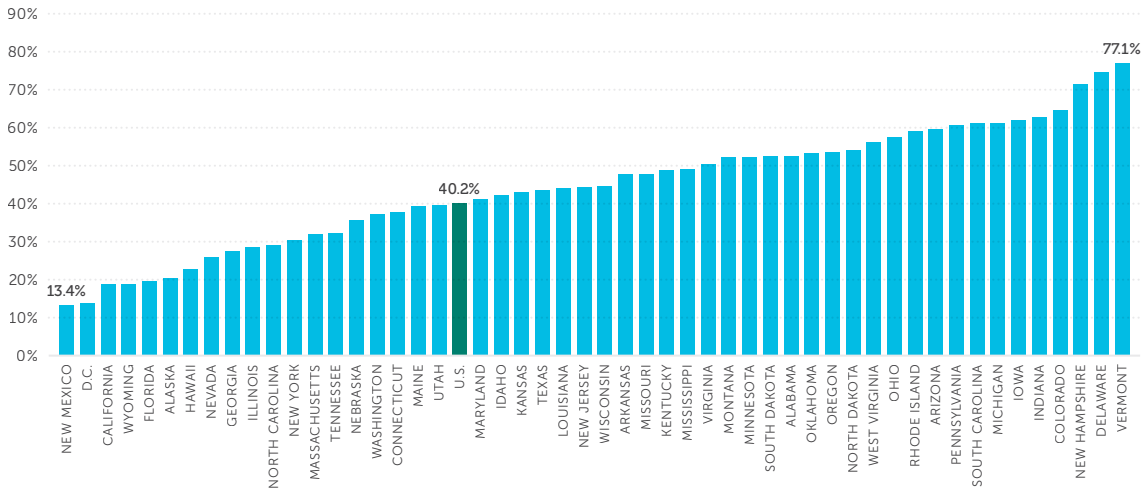
NOTES:

1. The student share is a measure of the proportion of total education revenue at public institutions coming from net tuition revenue. Net tuition revenue used for capital debt service is included in net tuition revenue but excluded from total education revenue in calculating the above figures. Total education revenue includes federal stimulus funding.
2. Year change columns show percentage point increases or decreases, not percent change.
3. The U.S. calculation does not include the District of Columbia. Data for the District of Columbia are not available prior to 2011.
4. The years 1980 and 2001 are included in this table because they are the starting points of the historical SHEF dataset and modern SHEF data collection, respectively.
5. Fiscal year 2023 student share includes estimated federal stimulus for Kentucky, estimated state public financial aid for Pennsylvania, and estimated net tuition and fee revenue for Arkansas, Kentucky, Massachusetts, Oklahoma, and Pennsylvania.
6. Each year, approximately one-third of education appropriations, a component of total education revenue, in Illinois go toward the state's retirement pension system. See the Illinois State Spotlight for more details.
7. Texas developed a new methodology to capture state funding to institutions of higher education and updated FTE enrollment starting in 2017. Years prior to 2017 do not reflect this new methodology, which may affect some year-to-year comparisons.

SOURCE: State Higher Education Executive Officers Association

FIGURE 4.3

NET TUITION AS A PERCENTAGE OF TOTAL EDUCATION REVENUE BY STATE, FY 2023



NOTES:

1. The student share is a measure of the proportion of total education revenue at public institutions coming from net tuition revenue. Net tuition revenue used for capital debt service is included in net tuition revenue, but excluded from total education revenue in calculating the above figures. Total education revenue includes federal stimulus funding.
2. Fiscal year 2023 student share includes estimated federal stimulus for Kentucky, estimated state public financial aid for Pennsylvania, and estimated net tuition and fee revenue for Arkansas, Kentucky, Massachusetts, Oklahoma, and Pennsylvania.

SOURCE: State Higher Education Executive Officers Association

2. SECTOR COMPARISONS

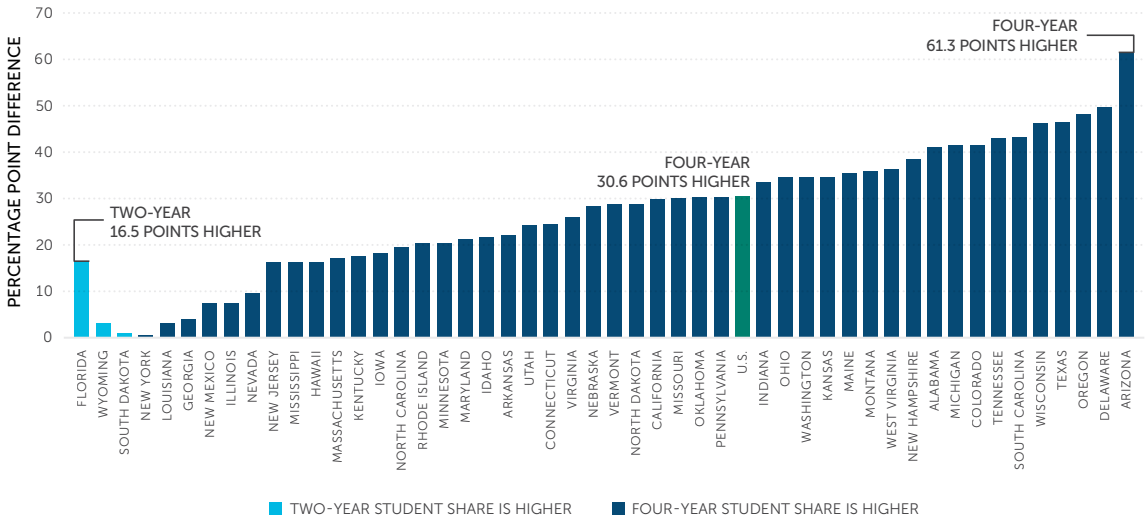
The student share is perhaps the most varied SHEF metric when comparing two- and four-year public institutions. At two-year institutions, the fiscal year 2023 student share was less than a quarter (19.9%); it was over half (50.4%) at four-year institutions (*Table 4.3A*).

- The student share at two-year institutions is generally between 15% and 50%. Tennessee (2.0%), California (4.3%), and New Mexico (9.0%) were the only states that reported student shares less than 10%. Only two states, Vermont (52.0%) and South Dakota (59.3%), had a two-year student share greater than 50%.
- At four-year institutions, student share ranged from 13.7% in Washington, D.C., and 14.0% in Florida to 81.2% in Delaware in 2023. The four-year student share was greater than 50% in 30 states, which is two fewer states than in 2022.

Figure 4.3A shows the difference between the student share at each state's two- and four-year public institutions. On the figure's left side, the **light blue** bars show states with a higher two-year student share. Most states have a higher four-year student share (the **dark blue** bars). **On average, the four-year student share was 30.6 percentage points above the two-year student share.** The four-year student share was greater than the two-year student share in all but three states: Florida, South Dakota, and Wyoming. This means that in those three states, students at two-year institutions were responsible for a greater portion of public institutional revenue than students attending four-year institutions. Arizona had the greatest difference in student share across institution types, where the four-year student share of 76.3% was 61.3 percentage points higher than the two-year student share of 15.0%.

FIGURE 4.3A

DIFFERENCE IN TWO-YEAR AND FOUR-YEAR NET TUITION AS A PERCENTAGE OF TOTAL EDUCATION REVENUE BY STATE, FY 2023



NOTES:

1. The student share is a measure of the proportion of total education revenue at public institutions coming from net tuition revenue. Net tuition revenue used for capital debt service is included in net tuition revenue, but excluded from total education revenue in calculating the above figures. Total education revenue includes federal stimulus funding.
2. Percentage point differences show the number of percentage points by which the student share is higher at either two- or four-year institutions, not the percent difference between the two.
3. Alaska and the District of Columbia are excluded from this figure because they do not have any public two-year institutions.
4. Sector is determined at the institution level using the Carnegie Basic Classification (carnegieclassifications.acenet.edu). Baccalaureate/Associate's Colleges and "less-than-two-year" degree-granting institutions not assigned a Carnegie classification are considered two-year institutions.
5. Fiscal year 2023 sector-level student share includes estimated federal stimulus for Kentucky, estimated two- and four-year public financial aid for Pennsylvania, estimated two- and four-year net tuition and fee revenue for Arkansas, Kentucky, Oklahoma, and Pennsylvania, and estimated two-year net tuition and fee revenue for Massachusetts.

SOURCE: State Higher Education Executive Officers Association

STATE SPOTLIGHT: CALIFORNIA



STUDENT SHARE IN THE TWO-YEAR SECTOR

California is the only state that has had a two-year student share (net tuition as a percentage of total education revenue) of less than 10% since the start of the SHEF sector-level dataset in 2019. Student tuition revenue comprised 6.2% of total education revenue in 2019 and decreased to 4.3% in 2023. National trends in the two-year student share are greatly impacted by California, which accounts for more than 20% of the nation's two-year enrollment. Excluding California from the data increases the national two-year student share from 19.9% to 24.9%.

California's low student share is due primarily to the state having among the lowest community college tuition charges in the nation and its practice of waiving tuition for low-income students through the California College Promise Grant, formerly named the Board of Governors Fee Waiver. Through the closely named College Promise Program, the state also waives tuition for certain community college students enrolled full time, regardless of financial need. In addition to waiving tuition for many community college students, the state has need-based programs, including the Cal Grant and Student Success Completion Grant programs, that provide aid for students' living costs. In fiscal year 2023, California provided $652 million in nontuition aid for community college students. (For survey purposes, this nontuition aid is excluded from two-year financial aid, as it otherwise would be deducted from gross tuition revenue.)

TABLE 4.3A

NET TUITION AS A PERCENTAGE OF TOTAL EDUCATION REVENUE BY SECTOR AND STATE, FY 2019-2023

	TWO-YEAR STUDENT SHARE						FOUR-YEAR STUDENT SHARE					
	2019	2022	2023	INDEX TO U.S.	CHANGE SINCE 2022	CHANGE SINCE 2019	2019	2022	2023	INDEX TO U.S.	CHANGE SINCE 2022	CHANGE SINCE 2019
ALABAMA	44.9%	36.8%	22.1%	1.11	-14.7	-22.8	75.0%	72.3%	63.1%	1.25	-9.3	-11.9
ALASKA	N/A	N/A	N/A	N/A	N/A	N/A	23.2%	22.2%	20.4%	0.40	-1.8	-2.8
ARIZONA	17.8%	14.3%	15.0%	0.76	0.7	-2.8	81.5%	79.8%	76.3%	1.51	-3.5	-5.1
ARKANSAS	37.5%	33.7%	33.4%	1.68	-0.3	-4.1	53.7%	50.6%	55.4%	1.10	4.8	1.7
CALIFORNIA	6.2%	4.2%	4.3%	0.21	0.0	-2.0	43.5%	37.0%	34.2%	0.68	-2.8	-9.2
COLORADO	41.7%	32.2%	32.2%	1.62	0.0	-9.5	77.1%	75.3%	73.8%	1.46	-1.5	-3.3
CONNECTICUT	38.7%	27.8%	21.8%	1.10	-5.9	-16.9	58.4%	50.3%	46.2%	0.92	-4.1	-12.2
DELAWARE	39.0%	31.7%	31.5%	1.59	-0.2	-7.5	81.7%	77.7%	81.2%	1.61	3.5	-0.5
FLORIDA	36.5%	31.6%	30.5%	1.54	-1.0	-6.0	18.3%	15.9%	14.0%	0.28	-1.9	-4.3
GEORGIA	30.9%	26.1%	25.6%	1.29	-0.5	-5.3	36.8%	30.1%	29.6%	0.59	-0.5	-7.2
HAWAII	19.2%	14.9%	13.9%	0.70	-1.0	-5.3	32.2%	34.0%	30.1%	0.60	-3.9	-2.1
IDAHO	35.5%	33.2%	31.2%	1.57	-2.0	-4.3	49.0%	55.0%	52.9%	1.05	-2.1	3.9
ILLINOIS	30.4%	26.2%	24.1%	1.21	-2.1	-6.3	36.4%	33.1%	31.5%	0.63	-1.6	-4.9
INDIANA	38.3%	34.1%	35.3%	1.78	1.3	-3.0	65.8%	68.4%	68.9%	1.37	0.5	3.1
IOWA	54.9%	48.7%	49.0%	2.47	0.3	-5.9	68.1%	66.9%	67.3%	1.34	0.4	-0.7
KANSAS	25.3%	22.2%	20.3%	1.02	-1.9	-5.1	63.0%	58.0%	54.9%	1.09	-3.2	-8.2
KENTUCKY	44.6%	40.9%	36.1%	1.82	-4.8	-8.5	60.4%	56.4%	53.6%	1.06	-2.8	-6.8
LOUISIANA	52.1%	49.2%	45.4%	2.29	-3.8	-6.7	49.0%	46.1%	48.6%	0.96	2.5	-0.4
MAINE	28.4%	21.7%	11.7%	0.59	-10.0	-16.7	53.3%	50.8%	47.2%	0.94	-3.6	-6.1
MARYLAND	33.5%	27.5%	25.9%	1.30	-1.6	-7.6	55.2%	53.0%	47.1%	0.93	-5.9	-8.2
MASSACHUSETTS	32.2%	23.3%	18.9%	0.95	-4.3	-13.2	43.9%	38.2%	36.2%	0.72	-2.1	-7.7
MICHIGAN	39.4%	30.7%	30.2%	1.52	-0.6	-9.3	74.3%	69.2%	71.6%	1.42	2.4	-2.7
MINNESOTA	43.4%	38.5%	38.8%	1.96	0.3	-4.5	61.1%	59.4%	59.3%	1.18	-0.1	-1.9
MISSISSIPPI	42.8%	40.5%	38.6%	1.95	-1.9	-4.1	61.6%	60.1%	54.9%	1.09	-5.3	-6.7
MISSOURI	30.4%	23.0%	25.7%	1.30	2.7	-4.6	55.5%	48.5%	55.8%	1.11	7.2	0.3
MONTANA	24.0%	20.2%	20.2%	1.02	0.0	-3.8	58.4%	56.1%	56.0%	1.11	-0.1	-2.4
NEBRASKA	20.3%	15.8%	16.3%	0.82	0.4	-4.0	49.5%	45.7%	44.7%	0.89	-1.0	-4.8
NEVADA	22.7%	21.3%	19.7%	0.99	-1.6	-3.0	25.8%	28.5%	29.4%	0.58	0.9	3.6
NEW HAMPSHIRE	52.8%	42.1%	40.9%	2.06	-1.2	-11.9	83.9%	79.6%	79.4%	1.57	-0.2	-4.5
NEW JERSEY	41.2%	37.4%	33.6%	1.69	-3.7	-7.6	56.5%	52.3%	49.8%	0.99	-2.5	-6.7
NEW MEXICO	15.8%	11.1%	9.0%	0.45	-2.1	-6.8	20.6%	29.9%	16.5%	0.33	-13.5	-4.1
NEW YORK	31.9%	30.3%	30.2%	1.52	-0.1	-1.7	33.8%	31.9%	30.7%	0.61	-1.2	-3.1
NORTH CAROLINA	18.8%	15.7%	15.5%	0.78	-0.3	-3.3	39.5%	36.9%	35.0%	0.69	-1.9	-4.5
NORTH DAKOTA	34.2%	31.5%	31.3%	1.58	-0.2	-2.8	58.2%	59.7%	60.1%	1.19	0.4	1.9
OHIO	33.5%	31.2%	29.8%	1.50	-1.4	-3.7	65.4%	64.2%	64.3%	1.28	0.2	-1.1
OKLAHOMA	40.6%	36.1%	31.1%	1.57	-5.0	-9.6	59.3%	61.5%	61.4%	1.22	-0.1	2.1
OREGON	30.5%	22.5%	20.1%	1.01	-2.4	-10.4	71.7%	68.1%	68.2%	1.35	0.2	-3.5
PENNSYLVANIA	45.3%	37.5%	35.8%	1.80	-1.7	-9.5	73.7%	71.0%	66.2%	1.31	-4.8	-7.6
RHODE ISLAND	47.6%	42.3%	43.4%	2.19	1.1	-4.2	64.3%	65.4%	63.7%	1.26	-1.8	-0.6
SOUTH CAROLINA	34.3%	32.3%	27.2%	1.37	-5.1	-7.1	77.5%	71.5%	70.4%	1.40	-1.2	-7.1
SOUTH DAKOTA	42.5%	63.7%	59.3%	2.99	-4.4	16.8	64.8%	61.3%	58.4%	1.16	-2.9	-6.4
TENNESSEE	17.3%	6.5%	2.0%	0.10	-4.5	-15.4	51.3%	48.6%	45.1%	0.89	-3.5	-6.2
TEXAS	24.7%	22.0%	17.8%	0.90	-4.1	-6.9	64.4%	65.0%	64.2%	1.27	-0.8	-0.1
UTAH	24.2%	24.0%	19.8%	1.00	-4.2	-4.4	48.1%	46.8%	44.0%	0.87	-2.8	-4.1
VERMONT	69.4%	43.0%	52.0%	2.62	9.1	-17.4	89.4%	79.6%	80.8%	1.60	1.1	-8.7
VIRGINIA	45.1%	34.1%	30.6%	1.54	-3.5	-14.5	64.6%	59.4%	56.5%	1.12	-2.8	-8.1
WASHINGTON	27.1%	20.1%	15.8%	0.80	-4.3	-11.3	51.4%	49.7%	50.4%	1.00	0.7	-1.0
WEST VIRGINIA	37.3%	28.2%	27.6%	1.39	-0.5	-9.7	68.2%	64.3%	64.0%	1.27	-0.3	-4.2
WISCONSIN	19.8%	15.1%	14.5%	0.73	-0.6	-5.2	62.1%	59.6%	60.7%	1.20	1.1	-1.4
WYOMING	13.6%	18.5%	21.0%	1.06	2.5	7.3	20.2%	16.9%	17.7%	0.35	0.8	-2.5
U.S.	**25.9%**	**21.2%**	**19.9%**	**1.00**	**-1.4**	**-6.1**	**55.1%**	**52.1%**	**50.4%**	**1.00**	**-1.7**	**-4.6**
D.C.	N/A	N/A	N/A	N/A	N/A	N/A	24.6%	11.8%	13.7%	0.27	1.9	-10.8

NOTES:

1. The student share is a measure of the proportion of total education revenue at public institutions coming from net tuition revenue. Net tuition revenue used for capital debt service is included in net tuition revenue but excluded from total education revenue in calculating the above figures. Total education revenue includes federal stimulus funding.
2. Year change columns show percentage point increases or decreases, not percent change.
3. The U.S. calculation does not include the District of Columbia. There are no two-year public institutions in Alaska or the District of Columbia.
4. The year 2019 is included in this table because it is the starting point of the sector-level SHEF dataset.
5. Sector is determined at the institution level using the Carnegie Basic Classification (carnegieclassifications.acenet.edu). Baccalaureate/Associate's Colleges and "less-than-two-year" degree-granting institutions not assigned a Carnegie classification are considered two-year institutions.
6. Fiscal year 2023 student share includes estimated federal stimulus for Kentucky, estimated two- and four-year public financial aid for Pennsylvania, estimated two- and four-year net tuition and fee revenue for Arkansas, Kentucky, Oklahoma, and Pennsylvania, and estimated two-year net tuition and fee revenue for Massachusetts.
7. Each year, approximately one-third of education appropriations, a component of total education revenue, in Illinois go toward the state's retirement pension system. See the Illinois State Spotlight for more details.

SOURCE: State Higher Education Executive Officers Association

IMPLICATIONS

Fiscal year 2023 continued to defy long-standing trends in higher education finance in the third year following an economic downturn (see *Figure 2.2)*. Instead of steep cuts in state funding and sharp growth in student enrollment and tuition revenue, as expected in the years following an economic recession, inflation-adjusted state and local education appropriations per FTE increased, and enrollment and tuition revenue per student decreased. This year marked the 11th straight year that state and local education appropriations increased, and only the second year in which education appropriations per student exceeded 2008 (pre Great Recession) levels — with and without federal stimulus funds. Although compared to 2022, states allocated less federal stimulus funding directly to higher education, federal stimulus and relief funds continued to be helpful in 2023, supporting total state revenues, reducing budget strain, and providing more freedom for states to show commitment to higher education. However, these one-time funds are not a replacement for long-term state investments, as stimulus funds dry up.

The COVID-19 pandemic altered the usual counter-cyclical enrollment trend where enrollment increases during and in the years immediately following economic recessions. Public institutions of higher education experienced a total enrollment decline of 6.1% (or 665,976 per FTE students) from 2020 to 2023. Additionally, net tuition and fee revenue did not increase enough to keep up with inflation any year in that same stretch of time following the brief recession in 2020. What is more, 2023 was the largest year-over-year decrease in net tuition revenue in the SHEF dataset. In general, low growth in tuition rates, continued increases in state financial aid, and changes in enrollment patterns have contributed to recent declines. This continued decline in tuition revenue puts greater pressure on states not to cut funding to public higher education in the coming years. With a growing body of evidence demonstrating that resources matter for improving student success outcomes,[40] state leaders will need to ensure their higher education institutions have an adequate level of funding to increase credential production and meet workforce needs.

The SHEF report broadly addresses the wide variation in how states fund public higher education. However, state-specific context is incredibly important when discussing higher education finance trends. States vary in their relative allocations to general operating, financial aid, and research. They also vary in their reliance on local support to fund community colleges, federal stimulus funding during the COVID-19 pandemic, and the total funding allocated to higher education on a per-student level. Additionally, there are always outliers in every trend. Public institutions in some states remain primarily publicly funded, but a growing proportion have become primarily reliant on student tuition and fee revenue over the last two decades. With the end of federal stimulus funding near, states have hard decisions to make, and choosing to support higher education is crucial for the continued success of public institutions. As states explore new or different ways to address college affordability, educational quality, and inequality in educational attainment, long-term, sustained investments are needed.

40. State Higher Education Executive Officers Association. (2021). *Investigating the impacts of state higher education appropriations and financial aid*. sheeo.org/wp-content/uploads/2021/05/SHEEO_ImpactAppropationsFinancialAid.pdf

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